

**NOMINATION OF MARIA CONTRERAS-SWEET
TO BE ADMINISTRATOR, U.S. SMALL BUSINESS
ADMINISTRATION**

HEARING

BEFORE THE

**COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP
UNITED STATES SENATE**

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

FEBRUARY 12, 2014

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**NOMINATION OF MARIA CONTRERAS-SWEET
TO BE ADMINISTRATOR, U.S. SMALL
BUSINESS ADMINISTRATION**

WEDNESDAY, FEBRUARY 12, 2014

UNITED STATES SENATE,
COMMITTEE ON SMALL BUSINESS
AND ENTREPRENEURSHIP,
Washington, DC.

The Committee met, pursuant to notice, at 10:38 a.m., in Room 428A, Russell Senate Office Building, Hon. Mary Landrieu, Chairman of the Committee, presiding.

Present: Senators Landrieu, Levin, Cantwell, Cardin, Booker, Risch, and Fischer.

**HON. MARY L. LANDRIEU, CHAIR, AND A U.S. SENATOR FROM
LOUISIANA**

Chair LANDRIEU. Good morning everyone, and welcome to our confirmation hearing on Mrs. Maria Contreras-Sweet. We are so happy to have Senator Dianne Feinstein joining us this morning—welcome, Senator—for the introduction of our nominee.

Because of the difficulty of scheduling with our ranking member, Senator Feinstein, and other members, we are going to go in a little different order. I am going to save my remarks until the end to accommodate the schedules of other members that are here. But let me just say it is an honor to have served as the Chair of this Committee, and I am leaving it in excellent hands to Senator Maria Cantwell, who will be joining us, I believe, shortly.

It has been a pleasure to work with my partner, Senator Risch, for several years passing major pieces of legislation and conducting really important roundtables on issues that have, I think, strengthened the entrepreneurial spirit of the United States.

Let me turn it over now to the Honorable Dianne Feinstein to introduce our nominee, and then I am going to ask the ranking member for his remarks, if you do not mind, and then we will hear from our nominee and try to proceed that way to accommodate everyone's schedule.

Senator Feinstein.

**STATEMENT OF HON. DIANNE FEINSTEIN, A U.S. SENATOR
FROM THE STATE OF CALIFORNIA**

Senator FEINSTEIN. Thank you very much, Madam Chairman, Senator Risch—I see you on Tuesday and Thursday afternoon in

Intelligence. It is nice to see you here this morning—and members on both sides.

It is my great pleasure to introduce to this Committee, Maria Contreras-Sweet, President Obama's nominee to head the Small Business Administration, and she comes with my strongest and highest positive recommendation.

Let me begin by telling you a little bit about Maria's inspiring personal story. She was born in Guadalajara, Mexico. She immigrated to my home state of California when she was only five years old. Her mother worked at a chicken packaging plant to support and provide for Maria and her five siblings.

She went on to study at Cal State Los Angeles. She worked hard. She built a distinguished career, including serving as the secretary of the Business, Transportation and Housing Agency, a big agency in California. In addition to Maria's outstanding track record of public service, she possesses a keen intellect and considerable private sector experience, both of which will serve her well.

But most important to me, you know, the longer we are here, it is easier to look at people as problem makers and problem solvers. This woman is a problem solver.

So let me talk briefly about the private sector. This nomination comes at an important time for the small business community of our economy, and Maria knows firsthand what it takes to run and grow a small business. She is the founder of ProAmerica Bank, the first Latino-owned business bank in more than 30 years. Before that, she was the president and co-founder of a private equity fund that specialized in helping small businesses access capital.

As you know, increasingly, those at the very top of the income scale have easy access to capital, but many Americans who earn more moderate incomes have trouble getting approval for a loan. This is the kind of support that is essential to grow a small business, something that Maria knows very well. In fact, she has dedicated a considerable portion of her career to help small businesses access capital, to grow, and to employ more people. She has earned respect from community and business leaders alike.

The Los Angeles Chamber of Commerce CEO Gary Toeppen, who worked closely with Maria over the years, has this to say: "In her business as chair of ProAmerica Bank, she was in contact with numerous small businesses every day, businesses that have financial needs and need other kinds of advice. That gives her a really hands-on understanding of the small business community and the challenges and opportunities that they face."

So as you can see, Maria is uniquely positioned to make a very positive impact at the Small Business Administration, and that agency, I think, is one of the best things our government does. I deeply believe she can play a critical role in helping this country's entrepreneurs and small businesses thrive and succeed.

Finally, and on a personal note, I have known her for many years and I have observed her as a person who has dedicated her life to helping people and improving the economy of Los Angeles and California, and I have seen her in action. She is eager to help. She is constructive. She is a problem solver.

So across California, from the public to the private sector, in economically thriving and underserved communities, Maria Contreras-

Sweet is universally respected and admired. She has my strongest recommendation to this Committee. And I thank you Madam Chair.

Chair LANDRIEU. Thank you, Senator Feinstein, for that beautiful introduction. Let me turn it now to my ranking member, and then we will hear from our nominee.

OPENING STATEMENT OF HON. JAMES E. RISCH, RANKING MEMBER, A U.S. SENATOR FROM IDAHO

Senator RISCH. Well, thank you very much, and Senator Feinstein, thanks so much for coming. It is always good to see you on Tuesdays and Thursdays and other times too.

And I want to thank you, Ms. Contreras-Sweet. You telephoned me the day that you were nominated, and I appreciated that, and then took the time to come see me, and I thank you for that. You have an absolutely stunning background and qualifications for this job, and I am glad to see that the president has appointed someone of your caliber to do this. We have had a short period of time to talk about what your vision is, and I am impressed to this point.

On a personal note, we have a mutual friend, Jovita Carranza, who you know, and I value her judgment greatly. I have known her for some time, and she gives you the highest recommend, so that is a real plus for you.

So with that, Madam Chairman, thank you very much for the opportunity, and we look forward to hearing from the nominee.

Chair LANDRIEU. Thank you very much. And Senator Feinstein, if you have to slip out, you may.

Senator FEINSTEIN. I do.

Chair LANDRIEU. Okay. Go right ahead. Thank you. And Ms. Sweet, if you would stand, and we are going to take the oath.

Do you solemnly swear to tell the truth, the whole truth and nothing but the truth, so help you God?

Ms. CONTRERAS-SWEET. I do.

Chair LANDRIEU. Are you willing to appear and testify before any duly constituted committee of Congress when requested to do so?

Ms. CONTRERAS-SWEET. I do. I am.

Chair LANDRIEU. Are you willing to provide such information as is requested by such committee?

Ms. CONTRERAS-SWEET. I am.

Chair LANDRIEU. Please be seated. Thank you very much, and please proceed with your opening statement.

STATEMENT OF MARIA CONTRERAS-SWEET, NOMINEE TO BE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION

Ms. CONTRERAS-SWEET. Thank you. Thank you, Chair Landrieu, Ranking Member Risch, Senator Cantwell, members of the Committee. I am deeply honored to appear before you today as President Obama's nominee for the position of Administrator of the U.S. Small Business Administration. Let me thank you and your staff for putting together this hearing so quickly and the kindness you and your teams have shown me in this confirmation process.

I want to extend my sincere appreciation to Senator Feinstein for her warm introduction. I am grateful for the support of both my home state senators. I also want to express my sincere appreciation

to my husband, Ray; my children, Antonio, Francesca and Rafael; and my extended family that is represented here today. They are the bedrock and motivation for everything I do.

President Obama has made small business a priority since the day he stepped into office. He elevated the role of SBA Administrator to cabinet level. He understands small businesses. The work of Administrator Karen Mills, Deputy Administrator Marie Johns, as well as the stewardship of Acting Administrator Jeanne Hult, has all resulted in a stronger, more effective agency.

SBA's record levels of lending helped pull us out of one of the nation's worst economic periods, and the agency has streamlined and simplified many processes, reduced paperwork, and become more customer oriented than ever before. If confirmed, I will strive to build on that record.

I have, as was stated, over 25 years of management and executive experience in both the public and the private sectors. I will bring to this post—I will bring these experiences to the post if confirmed. My background and experience as an entrepreneur and as a government official and as a corporate executive give me a unique perspective into lessons learned that I can put to good use helping small business owners create new products and expand their businesses.

Let me just say, I am a small business owner whose small business helps small businesses every day. ProAmerica is a Latino-owned business bank in California. It started like so many other small businesses do, from the ground up. With support from the community, my friends and my family, we remain a strong, vital bank in our community. We ensure that entrepreneurs can access financing and all their needs to contribute to the economy, create jobs and provide for their families.

Earlier, when I started my first business, I experienced the same challenges entrepreneurs face today. I wore many hats and I poured my heart and soul into that business. Later, as California's cabinet secretary over Business, Transportation and Housing, I made sure small businesses were integrated and involved in the state's procurement process, and we made progress on those goals every year.

I enjoy bringing people together, building bridges, finding ways to solve problems, and creating opportunities. I am honored that so many small business advocates, community organizations and friends from my past are here today, and I look forward to working with them and others on the public/private partnerships to help America's entrepreneurs if I am so confirmed.

When I moved to California from Mexico as a child, I saw my mother work long, hard hours to support my brothers and sisters. I experienced firsthand the challenges that working families face every day, the challenges that recent immigrants are facing today. My record of fighting for women and families stems from these experiences, and if confirmed, I will continue to do that work.

We have a saying at the bank, "construyendo patrimonios." Translated in English, it means building family legacies. That is what small businesses are. They are family legacies. It is about family pride, supporting their community. It is what the American dream is all about after all.

I am a very proud American, and proud of all that America means to her citizens and to the world. If confirmed, I will work closely with you, with your colleagues in the House and the Senate, and President Obama for sure, to make sure that the Small Business Administration is an even more significant force in expanding the opportunities for all Americans, ensuring the economic strength of our country and the global economy.

Once again, thank you again for this hearing. Thank you for your leadership, Chair Landrieu, and if confirmed, I look forward to working with you, with Senator Cantwell, Ranking Member Risch, and I am happy to take your questions. Thank you very much.

[The prepared statement of Ms. Contreras-Sweet follows:]

**Opening Statement of Maria Contreras-Sweet
U.S. Senate Committee on Small Business & Entrepreneurship
February 12, 2014
Remarks as prepared for delivery**

Thank you. Chair Landrieu, Ranking Member Risch, Senator Cantwell, members of the committee, I am deeply honored to appear before you today as President Obama's nominee for the position of Administrator of the U.S. Small Business Administration.

Let me thank you and your staff for putting together this hearing so quickly and the kindness you and your teams have shown me in this confirmation process. I want to extend my sincere appreciation to Senator Feinstein for her warm introduction. I am grateful for the support of both my home-state senators.

I also want to express my sincere appreciation to my husband Ray, my children, Antonio, Francesca and Rafael and my extended family. Their love and support means so much to me. They are my bedrock and motivation for everything I do.

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I have over 25 years of management and executive experience in both the public and private sector that I would bring to this post, if confirmed. My background and experiences as an entrepreneur, as a government official and as a corporate executive give me a unique perspective into lessons learned that I can put to good use helping small business owners create new products and expand their businesses.

I am a small business owner whose small business helps small businesses every day.

ProAmerica Bank is a Latino-owned business bank in California and it started just like so many small businesses do: from the ground up; with support from the community, my friends and family.

We ensure that entrepreneurs can access the financing they need to contribute to the economy, create jobs, and provide for their families.

Earlier, when I started my first business, I experienced the same challenges entrepreneurs face today. I wore many hats and poured my heart and soul into that business. As California's Cabinet Secretary of Business, Transportation and Housing, I made sure small businesses were integrated and involved in the state's procurement process and we made progress on those goals every year.

I enjoy bringing people together, building bridges and finding ways to solve problems and create opportunities. I am honored that so many small business advocates, community organizations and friends from my past are here today and look forward to working with them and others on public-private partnerships to help America's entrepreneurs.

When I moved to California from Mexico as a child I saw my mother work long hours to support me and my brothers and sisters. I experienced first-hand the challenges working families and recent immigrants are facing. My record of fighting for women and families stems from these experiences, and if confirmed, I will continue that mission.

We have a saying at the bank: "construyendo patrimonios." Translated in English, it means "building a family legacy." That's what small businesses are: they are family legacies. It's about family pride and supporting their community. It is what the American Dream is all about.

I am a very proud American and proud of all that America means to her citizens and to the world. If confirmed, I will work closely with you, your colleagues in the House and Senate, and President Obama to make the U.S. Small Business Administration an even more significant force in expanding the opportunities for all Americans and ensuring the economic strength of our country and the global economy.

Once again, thank you for this hearing. And thank you for your leadership Chair Landrieu. I look forward to working with you Senator Cantwell and Ranking Member Risch. I am happy to take your questions.

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Chair LANDRIEU. Thank you very much. As I stated, because of the time, I am going to submit my statement at the end. Are there any other members of the Committee that would like to make a brief one-minute opening statement, and if not, we will go right into questions.

Okay. Let me begin. There are so many, but we have just a short time. Let me begin with a priority that we were not able to finish up in this last Congress that I feel very strongly about. The U.S. Congress enacted a Small Business Investment Act in 1958—which I am sure you are familiar with—because Congress identified a gap in the ability of small businesses throughout our country to access long-term credit. The economic situation has changed for the better quite a bit since 1958, but I think, and as you can tell from your position currently, there are challenges to small businesses getting access to capital and to credit to expand their businesses and to build out that family opportunity and entrepreneurship.

I introduced with several of my colleagues the EXCEL Act, which was filed in both this Congress and last. It has broad bipartisan support. It basically would raise the family of fund limits for small business investment companies, SBICs, from 225 to 350.

One of the leaders of one of our SBICs from Triangle Capital in North Carolina, one of our most successful—you might have heard of them—said, “If our legislation had passed,”—which it did not, but despite broad bipartisanship support, it was held up by literally a handful of members—“If the proposed legislation is passed, we believe over the next 12 to 24 months we would be able to directly help another 30 to 40 companies create up to 2,000 jobs.”

That is just from one SBIC that has been successful. This is the leveraging partnership where private sector puts up \$2. The Federal Government puts up \$1. We lend out to companies that can grow.

Could you comment on your experience with SBICs, and would you be willing to lead the fight to get this authorized as soon as we can?

Ms. CONTRERAS-SWEET. Thank you for that very important question, Senator. As I have experienced in our bank in Los Angeles, what we find is that clients come in and they have so much that they can secure for collateral to underwrite a loan, to buy debt. Then on top of that, they put up whatever cash they have, whatever their savings, to make up a little more.

And oftentimes, there is that gap, that mezzanine portion that the small businesses need, and that is why I think the SBIC has been the most effective in trying to provide that funding to make that gap, to make sure that they can actually realize their dream and build that business.

So I am familiar with the product. I support the product, and to the extent possible, I would like to learn more about the specifics of your proposal. But I am aware of the gap and understand the role that, along with private equity, can play in layering with debt. So it makes a lot of sense to me. And thank you for your leadership in that regard, and I would look forward, if confirmed, to working with you on that product.

Chair LANDRIEU. Thank you. My second question is our Committee was very active, both Republicans and Democrats, in trying

to expand by encouraging many of our community banks. There are about 7,000 in the country. When I took over as chair five years ago, only 1,300 were participating in the small business programs. Now I am proud to say that there are 2,400 SBA lenders—you being one of them—around the country.

So what could you share with us about what some of your ideas might be to even expand that number to more community banks that could be partners with the SBA? What do you think we could do better, the Federal Government, to either minimize unnecessary regulations or paperwork that would encourage banks to really become partners with us, because they are the ones that know the customers. They are the ones that are in the communities. How do you see community banks particularly being a partner with you in your new role?

Ms. CONTRERAS-SWEET. Thank you, Senator, again, for your overall leadership in this regard. Specifically, let me just share with you what I have been experiencing. What I see is that large and small financial centers have been addressing the area of small business loans to families and to entrepreneurs across America. But indeed, it is the small local community banks that really benefit from this product the most.

And for some of us—and again, I am just sharing my personal experience—unless you have a specialized officer in the bank that really understands the covenants, the warrants, the underwriting, the standards that SBA promulgates, it is somewhat daunting and a little overwhelming, and you want to make sure that when you are pursuing an SBA loan and there is a guarantee element, you want to make sure that you are not sacrificing that, whether it is a 50 percent, 75 or 90 percent guarantee, depending on the product.

And so what I have really been pleased with is that already SBA's made some progress on that, the introduction of SBA One, for example, the way that they are clearing up the paperwork, streamlining, delegating authority to so many banks. For example, ours is a preferred lender bank, so we get the benefit of delegated authority. And so I already see great improvement, but to the extent that we can get the word out, there is also push and pull marketing, as I like to call it.

There is where we can also get the public to be more informed. When I approach some prospective client or a client about an SBA product, they are not fully aware, and so we take a lot of time to consult them, to walk them through and explain to them this alternative.

So to the extent I think that the SBA can even market the products more, get out—and if you will, I use this vernacular—we can brand the SBA a little more so that people are comfortable with it, understand that this is not your grandfather's SBA, I think it will go a long way in encouraging local communities, local community banks, to do more of that work.

And if I may just add one more thing. I think throughout our 68 field offices, the SBA now has great reach into every community through their regional offices, as well as through the SBDCs, through the women business centers, through all the myriad of programs. So to the extent that we can continue to work with those

strategic partners throughout the country and get the word out about the benefits, about the upgrades, about the simplified streamlining that is taking place today, I think that too will go a long way.

Thank you again, for the good question, Senator.

Chair LANDRIEU. Thank you.

Senator Risch.

Senator RISCH. Thank you, Madam Chairman.

Ms. Contreras-Sweet, you recall when you and I met, I told you about one of my favorite agencies over there in the agency, and that is the Office of Advocacy. And I'm assuming since that conversation you have had time to think about it and perhaps even have a look at what they actually do over there.

To me, that's one of the real important things that the agency does. When I meet with people, whether they are from big business, medium business, but particularly small businesses, they are just really miserable over the crush of regulation that the Federal Government is putting on them. And the Office of Advocacy is designed to go in there and get them figuratively by the collar and say, "Look, you cannot do this." The law of unintended consequences is going to come around and bite these people and put them out of business.

The Office of Advocacy really needs its independence to do that, not being getting a call from the White House saying, "Hey, back off on your advocacy for small businesses." They really need to make life less comfortable for the bureaucracy than what it is when they are in their rulemaking and regulating mode.

So have you had some time to think about that? And I would like to get your thoughts on the Office of Advocacy.

Ms. CONTRERAS-SWEET. Thank you, Senator, for speaking to a couple of important points, and I take pleasure in having an opportunity to address you on this.

First, let me just speak to the office and the structure. I mentioned to you also in that conversation that I had the good fortune of being able to create California's Department of Managed Healthcare. And I went to great lengths to assure that there was an independent voice for the patient community, the Office of Patient Advocate. And I made sure that it reported directly to me, as did the director of the department.

And so I liked the role, that it was important to me to have that sense of independence. What I appreciated here is that here too the Office of Advocacy is also an independent voice and should—we need to maintain the integrity of that office to make sure that it stands alone and of its own prowess to be able to provide an ardent voice for the small business community.

The small business community represents half of America's workforce, and it represents two-thirds—two out of every three jobs being created come from the small business community. We need to make sure that we're creating a level playing field for this community. So that is number one.

Number two, to the extent of the actual regulation to which you spoke, it is a primary goal to assure the small business community has a level playing field. We want a level playing field. It is already difficult to start a business. You make huge sacrifices and yet, this

is a community where we harness great innovation, where we create jobs, as I just outlined.

And so to the extent that we can reduce regulation, streamline opportunities for them, I think it should be a priority. From personal experience, I have endured regulation, if you can imagine, having been California's Secretary of Transportation. Just in that department alone I had 14 departments. But just in Caltrans, I was responsible for about 22,000 employees and a \$10 billion budget.

So trying to work with each dedicated fund, if I was trying to fill a pothole but I only had extra capital—in the Carl Moyer Program, for example, you could not move things over. So the discretion, the flexibility that the regulation prohibited me to exploit was difficult. And now, if anybody is going to start a business, the most complicated businesses to begin, to start from the ground up, would be a bank. It is highly regulated.

So having talked to the point about how we want a level playing field, we want to make sure that we can have a streamlined program in place, but the other side of it is also in balance to make sure that the proper consumer protections are in place.

Thank you, Mr. Senator.

Senator RISCH. Well, thank you very much, and I know you and I talked about, and I know you share my concern, that these regulations that are put in effect many times can be easily absorbed by a large corporation that has an army of lawyers and compliance officers. But for the guy that is fixing lawn mowers with a couple of employees, it can put them out of business. So I appreciate your understanding in that regard and look forward to working with you on that.

Madam Chairman, I have got to excuse myself because I have another meeting, but since this will be our last foray together, thanks so much for working with you and the many courtesies you have shown, and I look forward to working with the new chairman of this Committee.

The bad news is we will only be a few seats apart over on the Energy Committee, so look forward to working with you.

Chair LANDRIEU. We will continue our strong partnership there.

Senator RISCH. Thank you.

Chair LANDRIEU. Thank you, Senator.

Senator RISCH. Appreciate it. Thank you much.

Chair LANDRIEU. Thank you.

[Applause.]

Senator Cardin and then Senator Fischer, Booker and Cantwell.

Senator CARDIN. Well, first, Madam Chair, I want to just join in recognizing your extraordinary leadership as the chair of this Committee. I have had the honor of serving on this Committee since I was elected to the United States Senate, and working with Senator Snowe and Senator Risch, your leadership has been extraordinary, and we have gotten a lot of things done. You should be very proud of that.

The first and foremost was to get funding for the SBA. It was not easy. President Obama was a strong supporter, but we had to get those funds in the Congress, and through your leadership, we were able to get the Budget Committee to make the necessary ad-

justments. So the resources are there. We made it a lot easier on the SBA loans, making major changes.

The reauthorization, the SBIR program, that didn't come easy. And there is not unanimity among the research community about the SBIR program, and you did a great job in bringing together a workable way that we could get that done. I particularly appreciate your help in getting a permanent increase on the surety bonds that help small construction companies and the work to be done on government procurement. We made major progress.

I also acknowledge the work we have done in a fairer SBA, dealing with minority businesses and women-owned businesses, all under the watchful eye of this Committee. So you have a great record, and I thank you for the leadership, and it has been an honor to serve under your chairmanship.

I know that Senator Cantwell will provide great leadership to this Committee. I look forward to working with her, because this Committee is very important. I asked to serve on this Committee. Small business is the engine of job growth in America and innovation, so therefore, we need a champion.

So let me, if I might, raise a couple questions as to our nominee's commitment on certain areas. Let me talk government procurement for one moment. Agencies that are hard pressed for dollars—and that is what is happening today—will sometimes try to take the easy way on procurement, bundle small contracts together so that the only entity that can really qualify for the prime contracts are large business. We want to see more prime contracts with small companies.

Can you share with us your vision as to how you will be an advocate within the Obama Administration so that the government procurement goals are truly met not just by subs but by primes and how you will provide leadership to provide that opportunity for small businesses.

Ms. CONTRERAS-SWEET. Thank you, Senator. Thank you very much for addressing an important part of what is going to be a key element of what we do. Clearly, we all know that the SBA is responsible for access to capital, but right behind there is the contracting component, and of course, the counseling and the disaster relief. So I understand that it is an underpinning of the Administration, of the Small Business Administration.

But if I may just also speak to what you just referenced earlier, and that is the importance of the SBIR, the STTR, all those programs. What I see from the public, being a banker and small business person, I really admire the work of this Committee. Let me just say the leader, Chair Landrieu, and how thoughtful these programs are, how thoughtfully they fit together, you know, to be able to have research dollars, to be able to partner up with the university through the STTR program, and then to be able to roll it out and through counseling to be able to get the capital and to take it to market, to patent it and to take it to market. I intend to use the cabinet-level status to make sure that I am working collegially with the Secretary of Commerce to make sure that we are using that Patent Office efficiently and effectively.

Senator CARDIN. And I agree with that. I just would focus on the fact that there are some departments that are great on small business. There are others that are not.

Ms. CONTRERAS-SWEET. Right.

Senator CARDIN. And I just hoped you would be very visible with those agencies that are not meeting the goal and certainly not complying with the spirit, that we want prime contracts for small businesses just not subcontracts.

I want to raise one other issue. I have limited time. We have talked about capital a lot. And I must tell you, I have been disappointed by the results on loans being made to small businesses. I think we provided a great deal more tools here in Congress. There was fundamental disagreement, I think, between some of us on the Committee and the Administration as to whether there should be direct loans or just guaranteed loans. The Administration prevailed on the prime tool being guarantees.

There are too many banks that are still very difficult, particularly if you are a minority small business or a non-conventional. Some of the faith-related enterprises, small business, it is very difficult to get loans.

What game plan did you have to make sure that we achieve this objective of capital being available?

Ms. CONTRERAS-SWEET. Thank you. Again, if you will indulge me and allow me to answer your first question, because I am not sure that I satisfied you. And so let me just say that I have extensive experience in contracting, and I want to share with you that to the extent that I was working to reach goals that I established for our agency, what I found is that first the public was not generally aware of the opportunities with government. They knew that they could go down the street and try to get a local restaurant to buy some things from them, but they were not aware about how to approach government.

And so first it was just to counsel them, to help them understand what the procedure was. Once I got them to be aware of it, then they would say, "You take too long to pay. I cannot carry the EBITDA. I cannot carry the cash flow."

So we put a prompt program in place, a prompt payment program. I was delighted to see that the president here put in QuickPay. That mirrors some of the things that we were doing there. At the next level, it just generally was, you just aptly pointed out, and that is that in bundling, you know, you go the counter-cyclical way. So I did what would probably be counterintuitive, and that is to debundle, to make sure that to the extent possible we can kind of break these down to make sure that smaller and smaller and smaller businesses could capture some of those opportunities. And to that extent, also we were able to create more local opportunities, and I think those are important facets.

So I just wanted to underscore the importance of what you said and share with you that if confirmed, I would be delighted to engage in this project. It is very important to me, and I have personal experience, some strategies that we can deploy to make that even more effective. So thank you for that.

To the extent that you just mentioned, again, about access to capital, it is the underpinning of everything. So indeed, we have to

make sure that we market well, that we use our counseling centers well, and that I, as you aptly pointed out, that I work collegially with my colleagues. The ones with whom I have met already have been very receptive, and that 23 percent goal is something on my mind. And if you give me an opportunity and I have your support and I am confirmed, I would be delighted to work.

I am counting the days, Mr. Senator, 365 days in a year. And so I am counting the days, and I can assure you that even though I am coming in a little late with weekends and evenings, we can make up some time and to actually capture some of those goals. Thank you.

Senator CARDIN. I like your enthusiasm.

Ms. CONTRERAS-SWEET. Thank you, Senator.

Chair LANDRIEU. Wonderful. Senator Fischer.

Senator FISCHER. Thank you, Madam Chair. And I too would like to thank you for your leadership and your service on this Committee. I also asked to be on this Committee, so it has been such a pleasure to serve with you. Thank you. I wish you well in your new chairmanship on Energy.

Ms. Contreras-Sweet, earlier this year, the SBA implemented a policy that would increase costs for some 7(a) loans. The rule will require that lenders for special-purpose properties, such as hotels or convenience stores, obtain two appraisals. One is for the real estate portion and the other is for the operations.

The cost of obtaining those two appraisals, I know you understand that that is going to be passed on to the consumer. I think it is also going to slow down the sale of the business. It is going to slow down the obtaining of the loan that these businesses are trying to get.

As you know, a number of real estate agents have been trained where they can do both appraisals, but that is not allowed under this rule. Would you be willing to reconsider the rule if you are confirmed as the administrator?

Ms. CONTRERAS-SWEET. Thank you, Senator, for that important question, again. It is tough out in the community, I can share with you, and so I am delighted that you raised that issue, because we usually ask for that appraisal cost upfront, and so they have to put that out and then you process them, and then hopefully succeed through the process.

I can share with you that it is something of which I am quite familiar, and I commit to you to engage in that from that experience point of view, to learn more about, again, the rubrics, the bowels of the organization, what is possible, and so I would not want to commit prematurely. But if confirmed, I would be delighted to take a delve, to dive in and work with you on that program. I have an interest in wanting to pursue it some more.

Thank you for the question.

Senator FISCHER. Thank you. I appreciate your commitment on that. I can tell you in rural areas of any state there is a limited number of professionals who are able to do those appraisals, and small businesses struggle in rural areas. So any time you have to find two appraisers, that adds additional costs to a business that is trying to expand, that is trying to grow, that is trying to serve

the customers they have. So I do look forward to working with you on that.

Also, what is your expectation as to when you believe the Administration might be nominating someone for the deputy position that has been vacant, I believe, since June? And hopefully the Administration is going to move forward on that. Have you heard anything about that?

Ms. CONTRERAS-SWEET. Thank you for asking me a very important question, as you can imagine. I can tell you that I think the Administration was really focused on filling the top job so that if confirmed that person would be able to engage in the process and be a part of the selection committee.

So I am looking forward to your support. And again, I would be delighted to engage in that process to make sure that to the extent that there is a, if you want to call it, a complimentary role, I think it is important in making sure that we are working collegially, collaboratively to assure that America's small businesses have a loud voice and an active engagement in the community of job creation.

Thank you.

Senator FISCHER. I would assume that would just be one of the number of items on your agenda as you move forward if you are confirmed as the administrator. Can you tell me what you see as some of your priorities? If you are confirmed, how do you want to hit the ground?

Ms. CONTRERAS-SWEET. Yes. As an administrator, whether you are in public or private sector, I think you have to first explore the fundamentals. You have to assure that the controls are in place. You have to, what I call, you know, deploy an ERM, an Enterprise Risk Management, system. You have to make sure that all the controls are in place.

So I do not like to launch off into anything until I make sure that the fundamentals of business, of government, are all in place. So I would first do that. I would just make sure that I am briefed about where the vulnerabilities are. How do we tighten those things down?

And then after that, again, just to understand the full complement of programs and to understand if there are any gaps there. From my vantage point, from my prism at this point, I do not see that there is that.

And then third, I still think that it is very important to get the word out about the products, again, making sure that we understand the limitations of our role. The SBA is not here to supplant the private sector role. The private sector, the credit markets, must be first, but where they freeze, or where there is a gap, that is where I think SBA has an appropriate role.

So we must make sure that we understand the proper role of government, the proper role of the SBA. But where we belong and where we must be, we must be there effectively, efficiently. Particularly in an instance of disaster, for example, you want to make sure that the right layers are in place at the right time to be responsive to whatever that family may be enduring.

I had a personal example, a personal instance where my mother-in-law was victim to the Northridge earthquake, and I saw what SBA's role was. I saw what FEMA did, and the way in which it

was unveiled. And I think it is important for us to be efficient and to be effective, particularly in those times.

I will just make one more comment about that. I was on duty during 9/11 and as Secretary of Transportation, some folks do not know, I also had responsibility for the California Highway Patrol, and the Highway Patrol protects our state buildings, our courts, some of our state prisons, and so it was important to make sure that those safety mechanisms were in place, and I am very familiar with that.

I can tell you that we did not know what was taking place, as the world did not know exactly what was taking place. But we knew that those planes were bound for California, and I had to make sure that the integrity was in place: of our bridges, of our highways, and our entire transportation network. Readiness around disaster would be fundamental, to answer your question. That would be one of the areas that I would want to make sure that we have buttoned down everything that needs to be down, because that is when the people need us most.

Thank you for that question.

Senator FISCHER. And thank you for your response. I appreciate it.

Chair LANDRIEU. Senator Booker.

Senator BOOKER. I just want to add my chorus of congratulations and gratitude to you. You have been an extraordinary leader for me on a very personal level, coming new to the Senate. You helped me with my orientation. This Committee I was thrilled to be on, but even more thrilled by the leadership and guidance you have given me. So thanks for being a north star in my early days, and I just hope the people of Louisiana, every single one of them, knows how lucky they are to have such an extraordinary leader, a leader amongst leaders here in the United States Senate. So thank you.

Chair LANDRIEU. Now, if my children could hear this, we would be making progress. Thank you. Thank you, Senator Booker.

Senator BOOKER. But I would be remiss. I have had the pleasure of knowing Senator Cantwell long before I was a Senator, and it is extraordinary now to have her leadership here. She is somebody that comes with private sector experience, with experience in the technology sector, which is really important to me in an area where small business growth is critical, and I am just really looking forward to having you now as the chairperson of this Committee, and congratulate you as well.

You are extraordinary, and I am so thrilled to have the opportunity to work with you. And this country is lucky that someone with your experience, background, expertise and skill would want to volunteer to serve in government yet again. You are making a personal sacrifice doing so. You are making a family sacrifice doing so. And, you know, I was taught as a young person that you should never judge someone by their personal accomplishments but by their willingness to do for others. And under that measure, you are truly a great American, and I am grateful to have this moment to talk with you.

You and I both know I have been in the grassroots trenches like you have, trying to figure out how, especially in underserved populations and especially in urban areas, how do you get businesses

going. And my team and I understood that the three biggest things, when we pulled together folks, is technical expertise—because many people have vision—but everything from learning how to make payroll, and all the things that help you to really make businesses run, function; access to capital, which is something that has to be a major part of your mission, and I know it is, and I have heard that already expressed; understanding that government is one of the biggest opportunities for small businesses. We found that many of them did not know how to—everything from bonding requirements to even getting in the game to be considered.

So I am grateful for all those things, and I am actually really confident that you are the right leader to tackle those three areas. I look forward, as we have talked a little bit before this meeting, about the creative ways now to get capital into the communities. I am looking forward to discussing with you some of our ideas about using online platforms—which we think is going to really help New Jersey—is a new movement, a democratizing force in terms of access to capital for the country.

A few quick things that I just want to hit you with in the remaining moments that I have, and I will just say them both at once and allow you to speak to them. There is a lot of dissatisfaction in New Jersey about the SBA's speed at which they dealt in post-Sandy recovery. And I am hoping that you pay particular attention to this, because these 100-year storms seem to be coming, at least to my area of the country, with great regularity, becoming almost a yearly or every other year engagement.

And getting small businesses up and running again is so important and is so critical. And I hope you understand that part of your duty—I pray not, but should be—is going to be responding to crisis and businesses in crisis, and the SBA has not lived up to the expectations people have for it.

And then the second thing, there is so much attention on cyber security for the big businesses, Target and the like, but I have increasing concerns, especially as many small businesses do deal with personal information, do deal with valuable exchanges that add up to large amounts of money, is what we are doing from a small business perspective to prepare our businesses in America to do the things they should be doing to protect themselves from cyber attack?

Thank you.

Ms. CONTRERAS-SWEET. May I first say that you are an American hero in every sense, and so as we say, I would like to just sort of shout it back at you.

Senator BOOKER. I do not have kids, but can we record that for the record? Yes. Just so I can pull that out.

Ms. CONTRERAS-SWEET. So your reputation precedes you, so thank you for the generosity of those compliments.

Let me just make a couple of comments in response. First and foremost, when we had the Los Angeles riots, a highly underserved community, I was delighted that here I was sitting at, if I may plug, 7-Up at the time. I was delighted that I was called by the Mayor and Peter Ueberroth, the chairman of Rebuild Los Angeles, to come and serve at that board to make sure that we could re-

spond to those riots and that we could restore those communities immediately.

And I learned something in that process, Mr. Senator, and that is that oftentimes we think we have the answer, and people said, "You have to put in this and"—and when I went in and I actually went into the community, walked those streets, talked to those families, and what they said is, "Yes, we need jobs and we need a bank and we need"—"for sure, but please do not forget a laundromat. I can't even interview until I get my clothes washed."

The fundamentals of understanding, to connect with the folks, ask them what they need. It is important that we engage in the community. So first, I must say it is important to understand what the needs are before we begin to respond.

Secondly, with respect to your cyberspace question, I had the good or—I am not sure if I want to say good fortune, but I was in the position of cabinet secretary over our business regulation, and as part of that, I had to help the state ready for Y2K. Now, I know in retrospect, you know, we have perfect vision, right? Hindsight is 20/20. But in advance of that, we had no idea what was in store for the world, let alone our own state.

And so I was responsible for one-third of the California data systems, the tiered data center. And so I learned a little bit about how to manage technology, as well as in the way we executed our driver's licenses. You have to stay ahead of, you know, those who will counterfeit your products. And so we were continually upgrading and changing our driver's licenses.

So in different ways, whether it was through the banking—you may know that I oversaw the Department of Financial Institutions for the state, and so I regulated in-state banking. And there too, we had to make sure that there was redundancy, that there was a proper separation of duties to make sure that somebody was watching what the other person was doing. So I have a little insight into this community, and I would be prepared to, if confirmed, to bring some of those ideas that I was able to glean from those experiences to this process to make sure that we are being responsive in making sure that we are protecting Americans, particularly the small business community that desperately needs a level playing field.

But just one more thing about that, and that is that we have to make sure that we avoid fraud, waste, and abuse as well. We have to make sure that we respect our public employees. Our public employees are largely hard-working people across America; that is what I see. But you have to also convey a message of zero tolerance if anybody is going to try to game the system, try to do something that is inappropriate. So I would bring my past experience to those areas that you just outlined.

Thank you for the question, Senator.

Chair LANDRIEU. Thank you. We have two more senators, Senator Cantwell and Senator Levin, and then I am going to finish up with a few questions. And I think we will close out in about 10 to 15 minutes, because votes will be called at 11:30.

Senator Cantwell.

Senator CANTWELL. Well, thank you, Madam Chair, and I too want to thank you for your tremendous leadership here at the

Small Business Committee. Not only do I consider you a personal friend, but a giant advocate for small business. And when our country had one of our biggest economic downturns, there was a lot of discussion about how to help the big banks. In fact, in my opinion, we kind of gave them access to the keys to the Treasury, something I did not quite appreciate how that was done.

But you were steadfast in the Small Business Jobs Act of 2010 in advocating for small businesses and trying to come up with ways to help protect them as they were getting hammered by new regulations and this economic downturn, when performing lines of credit were pulled right out from under people.

So I just could not have been more proud of your leadership in this Committee. People did not realize what an advocate Mary Landrieu was when she took over this Committee, and I actually feel like she put the small business activities in that battle of 2010. You know, we had to work with Senator Voinovich and Senator Lemieux to finally get a bill that tried to protect small business, but it was the cry in our country at that time that small businesses were just getting hammered on this downturn and really, in some ways almost being a scapegoat for what had happened. I do not think a lot of these small banks, or even the businesses that they were serving, were involved in derivative activity, but yet they were the ones who took it right in the chin.

So I am just very proud of your leadership on that and very proud of your leadership on this Committee. And I know you are not going far. In fact, we both serve on the Energy Committee and this Committee will certainly be looking for ways to work together. So thank you for that.

Ms. Contreras-Sweet, thank you so much for your willingness to serve. You have shown today you have a command of these policy issues that we are going to be looking forward to your activities and I personally like that you are a good marketer. Anybody that knows push and pull technology marketing is okay by me, because to me a lot of the Small Business Administration is both push and pull. I mean, part of it is getting people to understand what programs we have and what they can take advantage of, and obviously, getting them to work with us on those that need to be improved.

One of the things about the Small Business Jobs Act of 2010 was the 504 refinancing program, and that refinancing expired in September of 2012, so I wanted to have your thoughts on whether you support reauthorizing that section of the bill.

Ms. CONTRERAS-SWEET. Thank you for speaking to 504. It is an important product, and to the extent that you were able to offer up the refi program, let me just tell you from my personal experience it was very well received. At the onset, at the very beginning, I must say that we were trying to work our way through and tried to understand it a little bit.

But once we got it down is about when it sunset, and so we were a little disappointed about that. As I understand it now, the president is supportive. I, from the community, understand the importance of the product and if I am confirmed, I would be delighted to work with you and explore ways in which we can continue to fill that important gap.

Senator CANTWELL. So you would support reauthorization of that?

Ms. CONTRERAS-SWEET. If given the opportunity, I support the product. I think it is an important tool for Americans today.

Senator CANTWELL. Thank you. Another program, and again, I appreciate your perspective on small businesses and small business exports.

My colleague from New Jersey mentioned technology and the State Trade and Export Promotion program, the STEP program. Are you familiar with that program within—

Ms. CONTRERAS-SWEET. I am. The partnership with the states?

Senator CANTWELL. Yes. And I am a huge believer in where we are right now in the context of an information age and a lot of products and services, but you have to add capital. And the U.S. has a lot of these, and so the STEP program in my state has been beneficial from many technology aspects. It helped a program in my state grow to nearly a hundred new people on some swipe technology that right at the critical moment they got access to the Asian market, and, just recently, some aviation companies have used the program. Silicon Forest Electronics, a company in Southwest Washington, got access to some aviation sales because of the STEP program. A small company, Slingshot Sports in Stevenson, Washington, a very small company, got access to help grow their business.

So for me, I want to get your thoughts on the STEP program and whether you support continuing that or growing that effort. Because we have huge opportunities with the Asian market and the Pacific Northwest, and we certainly want to see us use these promotions to help meet the agenda that the administration has on doubling the number of exports out of the United States, and certainly, small businesses can play a very big role in that.

Ms. CONTRERAS-SWEET. If you will indulge me, Senator. First, I just wanted to thank the State of Washington. When California was going through its energy crisis, the State of Washington really came forward and helped us through, and I will never forget that. So thank you to all of the good people of the State of Washington for all that they did for Californians in that very difficult period.

Next, let me just speak to STEP. What I like about STEP is that it has three important components, in my view, again, just from personal experience. I really appreciate that somebody can come in and get some counseling through a university, the partnerships with the universities, that it is state-sponsored so that there is a relationship and a partnership with the state government.

In many instances, this is where many small businesses are a little more comfortable. So I appreciate that. I appreciate that it provides for introductions, in many instances internationally. And so there are so many good components around STEP, and in a globalized economy, we have to find ways to make sure that small businesses too can compete in that.

There is currently, in my view, with technology and all the other tools that are available to us, the lowest barrier to entry for a small business opportunity, and so to the extent that we can have programs like STEP, helping them, partner with them, and providing

them the right tools, I think that we can strengthen our ability to compete globally.

Again, this is where the innovations are taking place, and so why not let the small businesses also have a piece of that pie, a bite of that apple, to make sure that they are also partaking of the international globalized opportunities that are presenting themselves in an increasing way every year. So I believe in the program. I think it is an important program, and the tools in it support small business expansion in the international economies.

Senator CANTWELL. Great. Thank you. Thank you, Madam Chair.

Chair LANDRIEU. Thank you, Senator Cantwell. Senator Levin.

Senator LEVIN. Thank you so much, Chairman Landrieu. And welcome to you, Ms. Contreras-Sweet. Congratulations to you. Your wonderful experience and talent is going to be put to great use with the SBA program and it is matched only by the enthusiasm which you show for the job at hand. We are delighted with your appointment and look forward to your confirmation.

I want to thank our chairman. Mary Landrieu has been an absolutely superb chairman of the Small Business Committee. There are not too many people who are able to get legislation passed these days. I will not go into any more detail on that as to why. But she is one, because she knows how to work across the aisle. Her energy is legendary. She will bring that energy to the Energy Committee now. It will be called the Energy Energy Committee after Mary Landrieu is there.

And we are also delighted with our new chair. We have known Senator Cantwell a long time, and her background is going to be useful from before she was a senator. The respect in which she is held by all members of the Senate will be a major gift to this Committee. So you will be working with a wonderful new chairman as we say goodbye but not farewell to our current chairman.

You have a couple more hours here, I believe. Have you been formally—

Senator CANTWELL. Not until Thursday.

Senator LEVIN. Not until Thursday, if we are here.

There are a number of small business programs I have been involved with. I have been on this Committee actually since I got to the Senate and one of the programs I have been involved with—and this is a recent addition to the panoply of programs in the Small Business Administration—is the Intermediary Lending Pilot Program. It is currently a pilot program where we have non-profits that are, on a competitive basis, given awards to re-loan to small businesses, filling in a gap between the smallest program, the Microloan Program, and the 7(a) program. And so this intermediary program fills that gap.

It is a pilot program which has been in place only for three years now and it is up for reauthorization. And I am wondering if you are familiar with the program. The SBA itself has said it has had great success with it. That is our experience in Michigan. But I am wondering if you are familiar with this program and whether or not you would support its permanent reauthorization.

Ms. CONTRERAS-SWEET. Thank you, Senator. And in preparing for this, I heard from my good friend George Mitchell, Senator George Mitchell, who said to say hello.

Senator LEVIN. Well, thank you.

Ms. CONTRERAS-SWEET. And so I do extend his regards here.

Senator LEVIN. Thank you.

Ms. CONTRERAS-SWEET. But thank you for asking a really important question and oftentimes an overlooked part of our economy, and that is that so many of us think about loans and banks, but in the microlending program—and I was delighted to see that that was an offering in the SBA, that they do have a microlending program. And so thank you for your leadership and your ardent support for that sector.

Clearly, it is always difficult to start your first loan, and until you build credit, it is difficult to get a 200,000, a 3, 4, \$500,000 loan. So to the extent that we can issue some of those microloans, \$50,000 loans to get people started, it spurs innovation. So I am familiar with the program. I think it is an important tool in the tool chest and I am very much in support of microlending programs.

And through our intermediaries now as a banker, to the CDFIs, through programs like CAMEO in San Francisco—a program I am familiar with—different disseminators of microloan programs have been really good stewards of making sure that particularly underserved communities—and as I said, folks that are reentering the workforce—that they are providing for that first line of credit that will build eventually to the next and the next.

Senator LEVIN. Okay. Well, the next step then is this intermediary program. It is the next step up from the microloan program. It is a pilot program, and I hope when you get to the SBA, not if but when you get to the SBA, that you will check this out, because we need to reauthorize the next step-up program from the microloans, which are these more intermediate-sized loans. And it is an important program, so if you can get back to us as to what you find when you get there about this pilot program and whether you are going to be able to strongly support it.

Finally, we have been very much involved in the SBIR program. As chairman of the Armed Services Committee, the Defense Department is the largest contributor to the SBIR program. As a matter of fact, under the leadership of our current chairman for another day, we were able to get the SBIR program reauthorized in the Defense Authorization Bill.

Chair LANDRIEU. Thank you.

Senator LEVIN. We cannot use the Defense Authorization bills for everything, but we were in this case able to actually use this bill when we were having trouble getting bills passed because of the creativity of Chairman Landrieu coming to me, basically saying, “Can we get this done in the DoD authorization bill?” The argument was, “Yes, the Pentagon is the biggest contributor of funds to the SBIR program.” That gave us the quote, “hook”—not probably politically correct word—but the hook to include this in that bill.

So it is an extremely successful program. We hope that it will have your full support.

Ms. CONTRERAS-SWEET. First, may I thank you on behalf of America’s small businesses, if I may be so presumptive, because it allows the small business community to again have a more level

playing field. The large corporations have extensive research dollars and R&D centers, and so to the extent that we can provide innovation and research resources for the small business community, I think it is an important tool again, once again. So thank you for your leadership.

As I understand, it is a very well received program out in the community, and I think it should be supported. And I would be delighted to, if confirmed, if from your lips to God's ears, my prayers are answered and I am confirmed, I would be delighted to engage more deeply in that program and work with you closely on it. But thank you for your leadership. It is an important tool.

Senator LEVIN. Thank you. And again, congratulations and thanks to our current chair and our future chair.

Chair LANDRIEU. Thank you so much. If the members would just give me a five-minute personal privilege to close out this meeting and give my remarks.

OPENING STATEMENT OF CHAIR LANDRIEU

Chair LANDRIEU. First, to begin, you will have my strong and unequivocal support for your nomination.

Secondly, I have been on this Committee now almost 10 years. I think you may be the most extraordinary nominee that we have ever had. Your command of the details of the programs, your own personal experience that you bring, is going to be just a tremendous asset. I could not be happier to hand over the leadership to two extraordinary entrepreneurs in your own rights maybe for the first time in the history of this Committee, two women who have built businesses, run businesses, marketed businesses, and understand the challenges. So I think this Committee is going to be well served.

First, Senator Levin, you have been such a mentor to me in my time here. To have the chair of the Armed Services Committee hardly miss a Small Business meeting is just a testimony to his heartfelt belief that he may be running and authorizing some of the largest businesses in the world, which he does, but has never lost his passion for the people of Michigan, the people of Detroit, all the places in Michigan, where he knows that small business is the heart and soul of his state.

Senator Booker, your experience as mayor and coming as a new member of this Committee, you are just going to be extraordinary on it. I want to particularly thank Senator Cantwell. People do not realize this, but she was my rock behind the scenes in so many places where I could not figure out where to go and what to do, and her technical knowledge is so spectacular. And she helped me to put this Jobs Act together when we really couldn't find a lot of support to do it. And the two of us just kind of made up our mind.

And I want to thank Senator Merkley, Senator Boxer, Senator Levin, Senator Schumer, Senator Durbin, Begich and Cardin, who were the original co-sponsors of it, and the two Republican members that stepped up against great pressure, Senator Voinovich and Senator LeMieux, that helped us to pass that.

In closing, in three minutes, I just want to leave you and the Committee with three or four big issues. First, your command of the need for small business in a disaster, I really want to just cry,

but I am not going to let myself. Because I know what happened in Katrina and the Gulf Coast. You know what happened in the earthquake. You know how desperate small businesses are. And they have nowhere to go, nowhere, because no one wants to lend them any money. It does not matter how long they have been in business. It does not matter how profitable they have been. People just want to shut them out and say, "Come back when the situation is better."

The problem is the situation cannot get better, Senators, unless the small businesses are helping to make it better, like the gas stations, the laundromats, the restaurants that cook food for the first responders so they actually have a place to eat. This woman understands this, and we have done some good work on that, but God bless you for taking it to the next level.

Secondly, I want to talk about—30-seconds—rural businesses. President Obama made a great effort to try to bring high-speed internet to rural communities. Technology has changed. People in rural areas need help. They are smart, they are hardworking, and they do have community banks in rural areas that know them. But they have to have high-speed internet. Please continue to focus on that.

On the entrepreneurship underemployment, the president spoke about this in his State of the Union. We have millions of Americans—you know them well. You can see their faces—that have either flunked out, stepped out or been kicked out of the mainstream. They are not going to be able to finish high school or college. They are of an age but if given a chance, they might be able to start their own business, employ themselves, their family, their community. I do not think we are doing enough to reach them.

The president has called us to come up with special initiatives. I really hope the Small Business Administration will be first to the line to say, "This is what we can do."

And finally, the STEP program. Maria Cantwell is correct. Carl Levin was particularly focused on helping us. 1 percent of small businesses in this country export, 1 percent. In the old days, their markets were their neighborhood. These days, their markets are the world, but they cannot reach the world because they are so little. They are profitable. They are powerful, but they are small. They need our help to either help them cooperatively get together or give them some help to get their products to the world, and I think we can do a better job.

I personally saved the—how much money in the STEP program—\$8 million, which was going to be zeroed out. We need a lot more than \$8 million. That is all we have to help these 28 million small businesses reach the world. There are billions of dollars out there to help every big business. You know, they have embassies that will show up for conferences to help one big business and all we have is \$8 million in our budget, and that would have been zeroed out had I not tracked it and kept it in the budget.

So finally, I just want to say the 504 reauthorization, the STEP program. And Senator Cantwell will bring an outreach to Native Americans, who are also left out, forgotten. She is a fabulous advocate. And again, there is some tremendous entrepreneurship opportunities.

So it has been a joy, pleasure for me to serve as chair. I am really looking forward to giving this gavel to you on Thursday. I cannot give it until then. If we are not snowed out, we will make that change on Thursday. God bless you all. Thank you, and thank the staff. Would all of my staff please stand, and the Republican staff too.

[Applause.]

Chair LANDRIEU. Thank you all. Jane Campbell, Don Cravins, thank you all for an extraordinary job well done. I will submit all their names to the record, and the meeting is adjourned.

[Whereupon, at 11:47 a.m., the Committee was adjourned.]

APPENDIX MATERIAL SUBMITTED

**Opening Statement/Statement for the Record
Senator Jeanne Shaheen
Small Business Committee Nomination Hearing: Maria Contreras-Sweet
February 12, 2014**

Before I begin, I want to take a moment to recognize the dedicated leadership of my friend, Mary Landrieu, who has led this committee over the past five years.

It has been an honor to work with her, and I know that small businesses in New Hampshire have benefitted from her tenacious advocacy and leadership, especially in response to the challenges faced by small businesses during the financial meltdown and recession.

And I'm looking forward to working with Senator Cantwell in the future.

I'd also like to thank Chair Landrieu and Ranking Member Risch for acting so quickly to hold this nomination hearing.

Small businesses are the backbone of New Hampshire's economy – 96 percent of our employers are considered small businesses.

And those small businesses create two out of every three jobs in the United States.

That's why it's critical that we have strong leadership for small businesses at the federal level, especially now that the SBA has a seat in the President's Cabinet.

The SBA provides vital support for the small businesses I hear from in New Hampshire.

Supporting access to credit for small businesses is very important in New Hampshire. SBA loan programs provided loans to 500 small businesses in my state last year.

Counseling programs, including, Small Business Development Centers, are critical, especially in rural areas

Exporting represents a tremendous opportunity for small businesses. The State Trade and Export Promotion (STEP) program has helped small businesses reach foreign markets

And we must do all that we can to promote innovation. The Small Business Innovation Research (SBIR) program helps get entrepreneurs involved in federal R&D and innovation.

I'm pleased that the President has nominated Ms. Contreras-Sweet and that we are moving forward with her nomination.

I had the opportunity to meet with Ms. Contreras-Sweet this week, and I'm looking forward to working with her in the future.

U.S. Senator Barbara Boxer
Statement for Senate Small Business Committee Nomination Hearing of
Maria Contreras-Sweet to be Administrator of the
Small Business Administration
February 12, 2014

It is my honor to support President Obama's nomination of Maria Contreras-Sweet to be the next Administrator of the Small Business Administration. A respected member of the Los Angeles business community and a former Secretary of California's Business, Transportation and Housing Agency, her experience and expertise make her an excellent choice to lead the SBA and advocate on behalf of America's small businesses.

Maria's life is an inspiring story of humble beginnings, big dreams, and extraordinary achievement. She was born in Guadalajara, Mexico and at age five her family immigrated to El Monte, California. Her mother worked at a chicken packing plant while supporting Maria and her five siblings.

After receiving her bachelor's degree in Political Science from UCLA, Maria began her career by working for Speaker of the California State Assembly, Leo T. McCarthy.

In 1980, Maria entered the private sector as Director of Public Affairs for Westinghouse's Cola Bottling Company where she worked for fifteen years. She also started Contreras-Sweet Company, her own marketing and research consulting company focused on the Latino market.

Maria made history as the first Latina to be named a Cabinet Secretary in California when Governor Davis nominated her to become Secretary of the Business, Transportation and Housing Agency in 1999. During her four years at the helm of that state agency, she managed a \$14 billion budget, a workforce of over 42,000 people, and multiple departments.

She understands small businesses because she is a small business owner herself. Maria co-founded Fortius Holdings, LLC a venture capital firm to invest in Latino-owned and women-owned businesses. In 2006, she became the Founding Chairwoman of ProAmérica Bank, the first commercial bank to focus on Latino neighborhoods in over 30 years. Based in Los Angeles, ProAmérica offers commercial banking services in Spanish to small and medium-sized businesses. Under her leadership, ProAmérica has partnered with Santa Monica College to provide workshops for entrepreneurs.

In addition to her professional achievements, Maria has worked in other ways to support her community. She is the founding Director of The California Endowment, a billion dollar philanthropic foundation. She also serves on the board of the Children's Hospital of Los Angeles, Harvard Women's Leadership Board, and PepsiCo's Ethnic Advisory Board. And she was previously confirmed by the Senate to serve on the original Federal Glass Ceiling Commission.

She has been recognized for her public and private contributions to her community. The California State Legislature awarded her the Spirit of California award. She was also named Entrepreneur of the Year by the U.S. Hispanic Congressional Caucus.

Maria is an exemplary role model for achieving the American Dream. Throughout her career, she has not forgotten her roots and has strived to expand opportunities for all families, a goal that I know she will work tirelessly to fulfill as Administrator of the Small Business Administration. I enthusiastically support her nomination.

U.S. Senate Committee on Small Business and Entrepreneurship

Nomination Hearing

Maria Contreras-Sweet for the position of Administrator at the Small Business Administration

February 12, 2014

Questions for the Record - U.S. Senator Maria Cantwell

Question #1: 7a Loan Program

Ms. Contreras-Sweet, after initial weak loan volume in fiscal year 2014, 7a loan volume is starting to increase once again. I think last year in Washington state more than 1,200 loans in the 7a program were issued – so this is a very popular program.

- If confirmed, what will you do to continue supporting the record utilization of the 7a program?

Answer:

I am encouraged by the increases you reference in SBA's 7(a) lending numbers. I have no doubt that, with the help of Congressional leaders such as you, SBA was able to use a number of tools to help jump start lending across the country in the wake of the financial crisis. If confirmed, I would seek to build on that success by focusing on the gaps still left in the credit markets, particularly those in disadvantaged communities.

Also, I would like to see an overall improvement in the manner in which SBA communicates with banks about the products and services it offers. For instance, at our bank a borrower rarely walks in and asks for information on an SBA loan. As I alluded to in the hearing, with both push and pull marketing we can create a heightened, more dynamic public awareness of SBA's products, programs and services and thus expand the Agency's reach and effectiveness.

Question #2: Emerging industry access to 7(a) and 504 loans

Ms. Contreras-Sweet, I think there are a lot of people – myself included – who are excited by your background as a community banker.

You have your finger on the pulse of what small businesses need to be successful, and you've also got experience with SBA's loan products.

SBA loans help decrease risk for lenders, putting capital on the street for businesses on Main Street. In some cases, this means they are being used by industries that are more emerging – something we know a little bit about in Washington state.

I like to say that in the Northwest, we like to innovate, not regulate – and I think the business community in Washington state is a prime example of that.

- As a lender, do you see any structural impediments to SBA making its 7a and 504 loan programs increasingly available to emerging industries – like advanced manufacturing such as composites, biofuels, high-tech, and software?

Answer:

I agree that emerging industries such as the ones mentioned provide significant economic upside and have a powerful multiplier effect on our economy and country as a whole. Therefore, it is incumbent upon us to create avenues of capital for entrepreneurs and innovators. The 7(a) and 504 loan programs certainly play a critical role in emerging industries. However, the inherent challenges presented by early-stage and high-risk companies often times preclude highly-regulated, traditional lending platforms from servicing these would-be clients. SBA offers a full spectrum of opportunities for differing types of companies in varying stages. For example, the Small Business Investment Company (SBIC) program is another source of financing or investment for companies in emerging industries. Additionally, through participating agencies, the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs provide grant funding for companies conducting early-stage research and other innovative work, an important source of capital for emerging industries. If confirmed, I look forward to assessing these programs to determine ways to further inject capital into our most cutting-edge and promising industries.

Question #3: 504 Loan Program

Ms. Contreras-Sweet, according to the SBA, in 2013, more than \$11.7 billion in financing was extended through 7,700 loans from the popular 504 loan program. These 504 loans provide more than small business financing – they are also an economic development tool.

For every \$65,000 of financing provided in a 504 loan, one job must be created or sustained. The Certified Development Companies, or CDCs, that package these loans are pillars in each of their communities.

- Can you speak about the intersection of small business lending and economic development work that you experienced in your past work?

Answer:

I share your view that the 504 program and the network of CDCs that support it are excellent economic development tools in many communities. At our bank we have a number of borrowers whose businesses have not only helped them provide for their families, they have also helped sustain and improve the neighborhoods in which they operate. In my current experience, we provide clients with extensive consultation during the life of the 504 and thereafter. However, I understand that not all lending institutions emulate this practice. Fortunately, the CDCs can provide this critical service in addition to their financial participation. If confirmed, I look forward to working with the CDCs to encourage this type of activity. In my role as Cabinet Secretary for the State of California and during my time in the private sector, I have seen firsthand the vital role that the 504 program has played in providing access to capital to companies that have served as catalysts in job creation and in transforming communities.

Question #4: Small Business Exports

Ms. Contreras-Sweet, as we discussed when we met, I'm pleased that you support the SBA State Trade and Export Promotion (STEP) grant program. With only \$3 million in STEP grant funding awarded to my home state, more than 500 small businesses have been helped, resulting in \$136 million in actual export sales and supporting 2,230 jobs.

- In addition to STEP, what else can the Small Business Administration do to help small businesses access the 95 percent of the world's consumers who reside outside our borders?
- From your perspective, has coordination between agencies involved in trade promotion improved? If confirmed, what more will you do to streamline processes and coordination?
- How can SBA expand its export promotion efforts to a wider audience of small businesses given that only 1 percent of US small businesses currently export?
- If confirmed, how would you improve the STEP program to meet the goals of the President's National Export Initiative?
- In addition to improving existing programs, does the SBA intend to launch any additional programs targeted at educating small business on the existing export tools available?

Answer:

Thank you for acknowledging the economic activity created by exports. In our ever-increasing globalized economy, international trade helps create some of our highest quality jobs. During this confirmation process I have learned about and been impressed with the potential of SBA's Office of International Trade. I know this Administration is committed to increasing trade opportunities for small firms, and that SBA plays a crucial role in helping them compete globally. Some of the resources that SBA brings to bear to assist small businesses seeking to export are trained personnel at 19 U.S. Export Assistance Centers, other counseling services aimed at exporters through our resource partners and district offices, and guaranteed loans tailored specifically for firms involved in international trade. Furthermore, I know SBA works in cooperation with other federal agencies and public and private-sector groups to encourage small business exports. If confirmed, I look forward to diligently assessing and then building on all of these efforts.

International trade is an area in which I have an interest and some experience. As Secretary of Business, Transportation, and Housing in California, I participated in a number of delegations abroad that focused on issues of trade and exchanging best practices. These included missions to Mexico, Germany, France, and England. If confirmed, I anticipate these experiences will be valuable in informing and enhancing my efforts around international trade.

In order to maximize SBA's impact in this area, it will be important to use my Cabinet-level position to further partner with other Federal trade-related agencies. My state-level office afforded me the opportunity to gain valuable insights into a wide range of state resources. A third consideration, as mentioned above, could be a variety of trade-related non-profits, such as chambers of commerce, economic development organizations and the like. These can provide rich and abundant resources for entrepreneurs seeking foreign business. As you know, public-private partnerships are critical elements to helping small businesses develop their export activities.

If confirmed, I will use the tools at my disposal to leverage these partnerships and help small firms enter and expand into the global economy.

Question #5: Challenges for entrepreneurs

- Ms. Contreras-Sweet, from your perspective as a community banker, what is the number one challenge for entrepreneurs looking to start a small business?
- What will you do as Administrator of the Small Business Administration to address that challenge?

Answer:

Obviously, each small business faces unique challenges, and much of that often depends on their industry, market conditions, and the owner's skillset. However, throughout my time as a small business owner and certainly now as a banker, I see the broad array of roles a successful entrepreneur must play when he or she is starting out in business.

I like to say that, on any given day, a small business owner may have to be the company's human resources director, CFO, and its chief marketing officer. I believe that preparing entrepreneurs to meet this challenge is critical to many new small businesses' success. As you know, SBA's Office of Entrepreneurial Development, as well as its nationwide network of resource partners, play a vital role in helping new and existing entrepreneurs start and grow their businesses. If confirmed, I want to ensure that we are properly equipping entrepreneurs with the tools they need to properly execute each of the different roles they must play in their new business ventures.

Question #6: Metrics for Your Success

- Ms. Contreras-Sweet, what are your top goals for the Small Business Administration, and how do you intend to concretely define success as Administrator?

Answer:

As I indicated during the hearing, I believe that when assuming the leadership of an organization, whether in the private or public sector, one must first assure that the necessary controls are in place and properly aligned. Therefore, my initial due diligence would be focused on conducting an assessment of potential vulnerabilities and taking swift measures to mitigate or eliminate the relevant risks they might pose. I am particularly interested in assuring that SBA is adequately prepared to respond effectively to any disaster requiring its engagement.

Second, I would like to gain a better understanding of the full array of SBA programs. From my current vantage point, I do not see any gaps in SBA's offerings, but I would conduct a full assessment before establishing any programmatic priorities.

Third, I would like to increase awareness of SBA and the products and services the Agency offers. In doing so it would be my desire to raise the consciousness of SBA in the minds of entrepreneurs by exploiting all forms of modern media.

In my current position at the bank, I strive to ensure that, as our nation's economy continues its recovery, entrepreneurs can access the financing they need to contribute to that recovery, create

jobs, and provide for their families. If confirmed, my goals for SBA will be similar, although they reach far beyond access to capital. I believe the depth and breadth of my experiences as a small business owner, a procurer of goods and services from small businesses, and a lender to them will help me take the Agency, and the critical services it provides, to the next level.

Question #7: SBA Timber Sale Set-Aside program

Ms. Contreras-Sweet, the SBA Timber Sale Set-Aside program is over 50 years old and has functioned very well because it helps hundreds of small family-owned sawmills compete for federal timber sales from the US Forest Service and Bureau of Land Management.

- Are you aware of the SBA Timber Sale Set-Aside program and the critical work the Office of Government Contracting, SBA Timber Program (Surplus Property Sales Assistance) and the Industrial Specialists Timber staff perform?

The number of Industrial Specialist Timber program employees has shrunk in the last 20 years to only three specialists nationwide. These staffers monitor the federal land management agencies to ensure that they administer the Timber Sale Set-Aside program correctly. They also negotiate which sales will be designated Set-Aside when a market area has triggered under the program.

- Keeping in mind the continued budgetary realities for the federal workforce, would you consider including funding in your next budget request to add a fourth Industrial Specialist Timber employee to work in the Pacific Northwest to take the work load pressure off existing Seattle and Denver-based specialists, who currently are tasked with covering the entire Western United States?

The Office of Government Contracting and the SBA have been preparing a draft rulemaking to expand the SBA Timber Sale Set-Aside Program to include the Forest Service and BLM stewardship contracting authority, in addition to the commercial timber sale authority that it currently covers. That rule has not yet been published for comments yet.

- If confirmed, will you commit to moving that rule forward for comments?

Answer:

I am aware of the timber set-aside program, which I understand was designed to ensure that small businesses receive fair access to Federal timber sales. I also recognize the importance of the program to many firms in the Western states. If confirmed, I would consider any and all proposals to optimize the program's effectiveness; however, I would be obliged to learn all of the specifics surrounding the issues you describe before committing to take any actions. If confirmed, I pledge to scrutinize those issues, and I look forward to working with you to develop strategies to resolve them.

Question #8: Small Business Contracting

Ms. Contreras-Sweet, I think we can all agree that increasing government contracting to small businesses is a worthy goal, and I'm pleased to have fought over the years to both increase the number of prime and subcontracts to small businesses. I have a few concerns about how those increases are implemented, though, and I'm hoping to learn more about your approach to small business contracting.

As you know, the Small Business Administration works with the Department of Energy to establish small business prime contracting goals for each fiscal year. I believe that these goals should first do no harm to existing small business subcontractors and be realistic in scope and timeframe. I also understand that some small business subcontractors in the Tri Cities have already been negatively affected by required contract changes.

- As negotiations occur on the goals for next fiscal year, will you commit to fully analyzing the impacts of these goals on *existing* small business subcontractors?

As you know, the Department of Energy's prime contractors already do a significant amount of subcontracting to small businesses. In fact, more than a quarter of DOE's procurement dollars in fiscal year 2012 were awarded to small businesses – much of it passing through prime contracts.

- If the Department of Energy has to de-scope, re-structure, re-compete, and re-award substantial work from these large prime contracts (in many cases, work which was already being done by small business subcontractors), do you believe that this could require additional contracting officers and financial resources to award, manage, and audit the larger number of prime contracts?

As we've discussed, the cleanup of the Hanford site in the Tri-Cities, Washington is one of my top priorities for the Department of Energy. And as you can tell from my questions, we have a unique situation related to government contracting and ensuring that the complex mission of cleaning up Hanford faces no unnecessary hurdles.

- Will you commit to working with me to ensure existing small business subcontractors at Hanford are not disproportionately and adversely impacted by small business prime contracting targets?

Answer:

I agree that small business contracting is extremely important and warrants a high degree of attention. We must concentrate our efforts to meet the 23 percent government-wide small business prime contracting goal, while also supporting the important role of small business subcontractors. If confirmed, I will take a close look at the Department of Energy and its goals with regard to both prime contractors and subcontractors. SBA can play a significant role in holding other agencies accountable for their small business contracting performance. This can be done in an intelligent and strategic manner that creates a win-win scenario for all parties involved.

While I will have to learn all of the specifics regarding the issues you describe, I will commit to working with you to resolve those issues.

**Post-Hearing Questions for the Record
Submitted to Mrs. Maria Contreras-Sweet
From Senator James E. Risch
Ranking Member**

1. The Administration again delayed Obamacare's Employer Mandate earlier this month for the second time, proving once again that this law is unworkable and is crushing America's small businesses. This move came immediately after the Congressional Budget Office reported that the law would continue to reduce the workforce to the tune of *two million fewer jobs by 2017*. This law has devastated small businesses, which have had to reduce their workforce and halt expansion to comply with its requirements. As Administrator, you will have the opportunity to represent the plight of these small businesses and their needs to the Administration, which the previous SBA Administrator very clearly failed to do.

What do you plan to do about this law and its debilitating impact on small businesses?

Answer:

Regarding the Affordable Care Act, I believe the SBA's primary role is one of educating the small business community.

Every small business is different and will have to make decisions based on what is best for their business. SBA's mission is to counsel, assist and protect the interests of small business. I know the Agency is working to help educate small business owners about a range of issues—from accessing the loans that can help them start a business to helping them tap into the Federal supply chain. This also includes informing business owners on the Affordable Care Act. If confirmed, I look forward to continuing this work.

The SBA has testified multiple times before this Committee about its efforts to promote the Affordable Care Act, devoting various high-level staff to a law that does not authorize the SBA to spend funds for its implementation. In its trainings for small businesses, the SBA touts the benefits of the law for small businesses – which are targeted towards only the smallest of those businesses – but does nothing address what real small businesses are facing, including reducing hiring, expansion, and employee hours.

If confirmed, what will you do to ensure that any of the SBA's efforts to educate small businesses will fairly represent this law and the real impact it is having on small businesses?

Answer:

I believe SBA can play a unique role in efforts to educate small businesses about the Affordable Care Act, and a variety of other subjects. If confirmed, I will work to ensure that all of SBA's materials and trainings are accurate and up to date.

2. I have long been concerned with duplicative programs at the SBA. We fund four major programs that provide counseling to small businesses - Small Business Development Centers, SCORE, Women's Business Centers, and Veterans Business Centers. On top of those, this Administration has come up with additional programs that are duplicative of even the core, authorized programs.

What is your view on duplication of efforts and programs, using taxpayer dollars, given our country's debt crisis? Will you commit to a thorough review of these programs and proposing ways that we can streamline these services offered by the SBA to save taxpayers money?

Answer:

As we discussed in our meeting before the hearing, I have been impressed by the suite of program offerings at SBA. Each program was designed to fill a specific need or a gap left open in the private markets. At the same time, I understand that some of these programs may need to be adjusted to fit the changing needs of America's small businesses. I am acutely aware, however, that in certain cases, some programs or services may need to be streamlined or eliminated altogether.

If confirmed, I will review SBA programs to ensure that taxpayer funds are being spent wisely. And where necessary, I will work to make these programs more effective by reducing or eliminating duplicative services.

3. The SBA provides critical support for America's entrepreneurs. But we all know that every small business in America doesn't use the SBA's programs or services, either because the programs are not tailored to their needs, they aren't aware that the SBA exists, or because the SBA is too bureaucratic and its programs are too complicated to access. Over the last several years under Administrator Mills, the SBA has made critical strides in lending, such as restoring the 7(a) program back to zero subsidy, and significant improvements in oversight functions in the Office of Credit Risk Management (OCRM). With experience as an entrepreneur, founding a bank, and managing a \$14 billion budget as the Cabinet Secretary of the California Business, Transportation, and Housing Agency, you understand the importance of prioritizing a vision as a leader.

If confirmed as the next SBA Administrator, what will your top policy priorities be and what progress should this Committee expect to see one year from when you are confirmed?

Answer:

As I indicated during the hearing, I believe that when assuming the leadership of an organization—whether in the private or public sector—one must first assure that the necessary controls are in place and properly aligned. Therefore, my first step would be to conduct an assessment of potential vulnerabilities and take swift measures to mitigate or eliminate the relevant risks they might pose. I am particularly interested in assuring that SBA is adequately prepared to respond to any disaster requiring its engagement.

Second, I would like to gain a better understanding of the full array of SBA programs. From my current vantage point, I do not see any gaps in SBA's offerings, but I would conduct a full assessment before establishing any priorities.

I would like to increase awareness of SBA and its products, programs and service offerings to assure optimal benefits to its stakeholders. For instance, at our bank a borrower rarely walks in and asks for information on an SBA loan. As I alluded to in the hearing, both "push and pull" marketing will create better public awareness of SBA's products and will expand the Agency's reach and effectiveness.

4. The SBA lending programs are in the midst of repair as they move from dire measures during the economic crisis toward more healthy, stable capital access programs—the 7(a) program just this past fiscal year moved back to requiring zero subsidy; the Committee has been working in a bipartisan effort for almost a year to bring the 504 program to zero subsidy, reinstate the 504 refinance program, and make oversight improvements; a bipartisan bill to increase available leverage under the Small Business Investment Company (SBIC) program has received broad bicameral support; and the Committee's only markup over this past Congress has been on bipartisan measures improving the capital access portfolio.

What role will you encourage the SBA to play in helping to continue repairing the lending portfolio back to pre-crisis status? Are there gaps in the capital access portfolio that you feel need to be filled that the Committee has not addressed this Congress?

Answer:

As the executive chairwoman of a start-up bank which navigated the great recession by working closely with our clients and their credit quality issues, I am keenly aware of the challenges and the regulatory and fiduciary attendant issues. I have an appreciation for the gravity of the situation and the great strides that have been made by the banking community since.

If confirmed, I will look to build on some of the success SBA has achieved in responding to and partnering with the banking community and filling the post-crisis lending gaps. As a result of my banking background, I have experienced various circumstances surrounding SBA loans. My earnest hope is to quickly discover whether these are systemic or merely anecdotal. For example, I would more strongly encourage borrowers to consult with our resource and financial partners to receive ongoing counseling and cash management guidance throughout the cycle of the loan and thereafter. Engaging SBA borrowers and providing them additional assistance once they've received a loan helps ensure small businesses are managing their businesses effectively. In turn, this can improve the rate of repayment and the resultant loan portfolio – creating a win-win for all parties involved.

In terms of gaps in lending, I know for small businesses getting smaller loans can often be a challenge. If confirmed, I look forward to learning more about the SBA's lending portfolio, exploring how we can identify gaps in lending, and how the SBA can better address them. In some cases, this might just mean making adjustments or deploying more effective marketing strategies, while in others more significant action might be required.

5. In an interview with the Milken Institute, you spoke about ways to increase capital access to small businesses and therefore job creation. Specifically, you offered a proposal to increase local and community bank capital on hand by encouraging state, city, and local municipalities to deposit in these community banks, suggesting that this would increase these smaller banks' ability to lend, most likely, to small businesses. Given that 85% of the U.S. banks that failed during the fiscal crisis had less than \$1 billion in assets, many view small banks as a much riskier option for governments to deposit their assets given their proclivity to fall victim to the ups and downs of local market conditions, as well as their disproportionate difficulty in wading through the regulatory climate.

Taking into account the effect of the financial crisis and Dodd-Frank on small banks, what concerns did you consider regarding your proposal that would require these community institutions to serve in a role typically fulfilled by larger banks? What other ways can these community institutions increase small business lending considering their disadvantages when compared to the larger banks? What role can SBA take in encouraging the banking community to re-engage in small business lending? From your time founding and managing ProAmerica, are there other banking behaviors that you see as potentially beneficial to translate to behavior the SBA could implement on the capital access portfolio to improve bank participation and success?

Answer:

Community banks play a unique and important role alongside other banks and financial institutions, and with this unique role come challenges as well. These banks and their complementary financial institutions are critical to the economic strength of their communities and the health of small businesses in their areas. One issue in particular that presents a challenge for community banks is generating deposits, the lifeblood of any institution, particularly when they don't have an extensive branch network. If confirmed, I would be interested in continuing to explore ways to address this critical deposit issue.

Because community banks are smaller institutions, it can be a challenge for them to devote staff resources to staying current on changing loan-products. That's why it's important that SBA presents a simple, streamlined loan application process and loan products. I am encouraged by SBA's progress in reducing the amount of paperwork required to apply for a loan. The introduction of SBA One will be another important step forward. For any bank, but particularly community banks, offering them a streamlined, simple product is critical as we encourage lending.

Beyond encouraging the banks to lend more, we must also promote the products, programs and services available to them and their customers. When approaching prospective clients about an SBA product, I find that they are seldom aware of the array of products or their eligibility for them. This requires more consulting on the part of the loan officer. Again, to the extent that SBA can increase the marketing of its products, these efforts would go a long way in injecting more capital into small businesses in local communities.

Having been involved with regulations on numerous levels, I appreciate that regulations are important when they help protect small businesses and their customers and are needed in many circumstances. We must also examine what we can do to ease the burden on entrepreneurs and clear the way for them to start, succeed and grow. If confirmed, I look forward to exploring how and where we can work together with stakeholders to make it easier for small firms to thrive during this economic recovery.

6. On January 2, 2013, the American Taxpayer Relief Act extended most of the tax cuts that apply to small businesses first enacted in 2001 and 2003, and permanently indexed the alternative minimum tax (AMT) for inflation. Most of these extenders have now expired since the end of 2013. The Committee has a long history of advocating for tax provisions that help small businesses such as pass-through provisions that affect many S-corp small business owners, the capital gains exclusion, extending the enhanced S-Corp built-in gains (BIG) provision, and extending the enhanced Section 179 deduction. In July 2013, the Committee held a roundtable marking the start of a larger conversation this Committee hopes to have in conjunction with the Finance Committee as they turn to the issue of expiring extenders and broader tax reform.

One of the more contentious topics surrounding tax reform will most likely be the Administration's proposals to increase taxes on high-earning individuals, a demographic that the Committee has repeatedly shown to be small business owners whose income on personal tax returns is often the income from the small business itself, either through filing as sole proprietorships, partnerships, or Subchapter S-corps.

If confirmed as Administrator, what will you do to be a voice for extending necessary tax provisions that allow small businesses to survive? Do you think that increasing tax rates on small business owners will reduce the availability of after-tax profits that can be reinvested into small businesses and thus hurt small businesses?

Answer:

This is an important issue for small business and an important question. As we continue to see this economy recover, we must do all we can to help small businesses grow and thrive. As President Obama stated during my nomination, he has cut taxes for small business owners 18 times. If confirmed, I want to advocate for a fair and simple roadmap when it comes to tax policy. Small businesses, just like big corporations, need certainty and clarity so they can plan ahead and grow their firms.

I would welcome the opportunity to sit down with you to better understand the specific concerns you might have when it comes to tax policy around small business.

7. As you know, the President's healthcare law, amongst other initiatives, continues to crush small businesses financially and through onerous and overreaching regulatory burdens. In your nomination hearing, you mentioned the independent health commission that you championed while working in the California State Government, but did not specifically address the independence of the Office of Advocacy that is central to its role in protecting small businesses in the regulatory process.

What steps do you plan to take to ensure the independence of the Office of Advocacy in its efforts to protect small businesses from unnecessary and crippling Federal regulations?

Answer:

As we discussed during our introductory meeting, I respect the Office of Advocacy and the independent role it plays in the rulemaking process. As I stated at my confirmation hearing, I believe we need to maintain the integrity of that office to provide an ardent and independent voice for the small business community. If confirmed, I will support the Office of Advocacy, as appropriate. The independence of the office is critical.

8. Over the past twenty years, the number and complexity of federal regulations have multiplied at an alarming rate, with small businesses continuing to bear a disproportionate share of the federal regulatory burden. During that period, the Federal Register, which chronicles administrative actions – including proposed and final agency rulemakings – has nearly *doubled* in size. According to research reported by the SBA's Office of Advocacy, individuals and businesses spend more than *\$1.1 trillion a year to comply with federal regulations*, with businesses with fewer than 20 employees paying \$7,647 per employee. This Committee advances regulatory reform efforts to capture proposals for regulatory reform put forth by the Office of Advocacy to ease the regulatory burden on small businesses. These efforts serve primarily to ensure comprehensive analyses under the Regulatory Flexibility Act and additional review of burdensome regulations on small businesses.

If you are confirmed, what additional proposals for regulatory reform would SBA consider to assist small businesses in shouldering the burden of federal regulation and remaining competitive with larger businesses?

Answer:

As I mentioned in the hearing, this is an area where I have some experience in both the public and private sectors. During my time as Secretary of Business, Transportation, and Housing in California, I was subject to numerous federal regulations in areas such as housing, transportation, banking, etc. As the founder of a community bank, I have also navigated very complex regulations and seen first-hand the challenges regulations can place on small businesses. We should explore the simplification of the regulations for

small business so they can compete, grow, and create jobs. To the extent that we can reduce regulation and streamline paperwork for small businesses without eroding fiscal integrity and consumer protections, it must remain an important consideration.

There is also an importance to the consistency and certainty of our regulatory system that evinces confidence in the entrepreneurial adventure. While I have not yet developed any specific policy proposals, if confirmed, I look forward to bringing my experiences to bear in this area.

9. As you know, we are living in an increasingly competitive and global business world. We must do more to help America's small businesses access the 95 percent of the world's customers that live beyond our borders. It is critical to our future as a competitive, prosperous nation. The percentage of U.S. small businesses that export has remained stubbornly low at less than one percent for decades.

As you have reviewed the international trade programs of the SBA, and throughout the federal government, what will you do, if confirmed, to aid the growth and success of small business exporters? How will you work with states, other government agencies, and the private sector to promote exporting as a business development opportunity?

Answer:

During this confirmation process I have learned about and been impressed with the potential of SBA's Office of International Trade. I know this Administration is committed to increasing trade opportunities for small firms, and that SBA plays a crucial role in helping them compete globally.

International trade is an area in which I have an interest and some experience. As Secretary of Business, Transportation, and Housing in California, I participated in a number of delegations abroad that focused on issues of trade and exchanging best practices. These included missions to Mexico, Germany, France, and England. If confirmed, I think these experiences would inform and enhance my efforts around international trade.

In terms of working with external partners, I think it will be important to use my Cabinet level position to partner with other Federal trade-related agencies. My state-level office afforded me the opportunity to gain valuable insights into state resources. A third consideration could be a variety of trade-related, non-profits, such as chambers of commerce, economic development organizations and the like. These can provide rich and abundant resources for entrepreneurs seeking foreign business. As your question implies, public-private partnerships are critical elements to helping small businesses develop their export activities.

If confirmed, I will use the tools at my disposal to leverage these partnerships and help small firms enter and expand into the global economy.

10. Last March, I introduced S. 550, the Small Business Investment Company Modernization Act of 2013, which would increase the available leverage made available by the SBA to Small Business Investment Companies (SBICs) from \$225M to \$350M. Since then, the Committee has considered increasing this leverage in full markup proceedings, voting on a Risch-Landrieu compromise on Senator Landrieu's SBIC bill, S.511. The SBIC industry is begging for this increase so they can invest more in small businesses.

As a banker who understands the importance of increasing opportunities for small businesses to obtain capital, do you agree on the import of making these changes to the SBIC program that would increase the flow of capital to our small businesses? If confirmed as Administrator, how would you work to improve the impact of the SBIC program?

Answer:

I have had the opportunity to learn more about the SBIC program over the past few weeks, including some of the details on this bipartisan legislative proposal. I view the SBIC program as an excellent complement to SBA's 7(a) and 504 loan guarantee programs. I know that in recent years SBA has made a number of process improvements that have significantly reduced the lead time for licensing SBICs, and I would like to explore ways in which we can build on that success.

In terms of other improvements to the SBIC program, I would like to examine how SBA can expand access to SBIC funding for underserved communities. If confirmed, I look forward to working with you and the rest of the Committee on these and other SBIC-related issues in order to optimize this excellent program.

11. Two years ago, Congress reauthorized the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs after years of temporary extensions. Included in the reauthorization were a number of mandates that the Committee agreed would go a long way to improve the administration of the program and the way in which small businesses could access these opportunities. Since then, GAO has reported to the Committee that a number of the participating SBIR/STTR agencies are not complying with the new mandates, specifically failing to reach the mandated spending allocations on SBIR awards within each agency. Further, they have not utilized the 3% set-aside of all SBIR funds within each agency to be used for administrative needs such as reaching out to low-frequency award regions of the country, such as my home state of Idaho. During GAO's examinations, some agencies cited their lack of compliance to be caused by a general lack of guidance by the SBA. GAO also reported that SBA was not reporting to Congress annually regarding the program as mandated.

Knowing the opportunities that winning a SBIR/STTR award brings to a small business in terms of resources and exposure, please specify how, under your leadership, the SBA would take more of a leadership role regarding the SBIR/STTR programs. Also, please describe, specifically, how the SBA can improve the way in

which the program is conducted. Do you plan on reporting annually to Congress on the SBIR/STTR programs if nominated as Administrator?

Answer:

I would like to thank the Committee for their tremendous work in reauthorizing these critical small business programs. I understand it was not an easy road, but that the final outcome provided some much-needed stability and improvements for both programs. As with SBA in general, the availability and benefits of the SBIR and the STTR should be elevated to a higher level of awareness in the small business community.

When it comes to managing a government agency, I know that transparency and accountability are critical. If confirmed as SBA Administrator, I will work diligently to help the Agency comply with its reporting requirements, including those related to SBIR/STTR.

I also believe SBA must closely work with the other agencies to ensure that they are meeting the statutory requirements of the programs. As you stated, the SBIR/STTR programs bring remarkable opportunities to our small business awardees and lead to some of our country's most innovative products. If confirmed, I look forward to working with the President's Cabinet to continue to build on that success.

12. Since 2010, Congress has passed significant small business reforms, primarily through the Small Business Jobs Act, the National Defense Authorization Act for FY 2013 (FY 13 NDAA), and the National Defense Authorization Act for FY 2014 (FY 14 NDAA). However, despite explicit statutory deadlines for the implementation of these provisions, the Small Business Administration continually fails to implement these reforms in a timely manner. For example, over 21 provisions in the FY 13 NDAA are now overdue.

If confirmed, will you commit to meeting statutory deadlines?

Answer:

I understand the Small Business Jobs Act, the FY12 NDAA, and the FY14 NDAA contained provisions to level the playing field for small businesses, particularly in the critical field of federal contracting. I recognize the importance of timely implementation of these provisions and commit to you that, if confirmed, I will work to ensure that small businesses are afforded the opportunities and benefits that Congress intended them to have.

Questions for the Record
Senator Jeanne Shaheen

ACCESS TO CREDIT

Ms. Contreras-Sweet, with your background as a small business lender, I am sure you appreciate the ongoing challenge that our small businesses face getting access to credit so that they can meet their payroll or grow their companies.

504 refinancing. I'm a strong believer that we need to look for common-sense, bipartisan ideas for supporting small businesses at no cost to the taxpayer. One of those ideas is to re-authorize the SBA's 504 refinancing program, which was a no-cost effort that built on the SBA's traditional 504 real estate lending. Unfortunately, this pilot program lapsed in 2012, even though there were hundreds of small businesses waiting to take advantage of the program to free up capital.

Q: Ms. Contreras-Sweet, will you make reauthorization of this program a priority as SBA Administrator?

Answer:

Thank you for the question. I was pleased to see that the President included extending the 504 refinancing program in his FY 2015 Congressional Budget Justification.

As I stated at the hearing, based on my experience as a banker and feedback from the banking community, I believe the 504 refinancing program is an important tool for our small businesses. The program was extremely popular in its final months and filled important gaps in commercial real estate lending. I am supportive of reauthorizing the program and would be delighted to work with you and other members of the Committee to help make that happen.

Elaborate on your experience as small biz lender. Over the past several years, small business lending has improved, but I often hear from small businesses in New Hampshire who aren't able to access the credit they need to meet their bottom line.

Q: In your experience as a small business lender, what are the major obstacles for banks seeking to lend to small businesses? Are they more regulatory or the result of creditworthiness of the borrower?

Answer:

As a community banker, I think there are challenges that are unique to small banks and other challenges that are common with banks across the board. One issue in particular that presents a challenge for community banks is generating deposits, the lifeblood of any institution, particularly when they do not have an extensive branch network. If confirmed, I would be interested in exploring ways to address this critical deposit issue.

Additionally, because community banks are smaller institutions, it can be a challenge for them to devote staff resources and stay current on changing loan products. Therefore, it is important for SBA to present a simple, transparent loan process. I am encouraged by SBA's progress in reducing the amount of paperwork required to apply for a loan, and I believe the introduction of SBA One will be another important step forward. For any bank, not just community banks, offering them a streamlined, simple product is critical as we encourage lending.

Improving SBA footprint and outreach. In New Hampshire, our community banks and small businesses are very aware of the role that SBA plays in supporting small business lending. But there's always room for improvement.

Q: What more can the SBA do, working with lenders and other partners, to increase its footprint and reach?

Answer:

If confirmed, I would like to see an overall improvement in the manner in which SBA communicates with banks about the products and services it offers. For instance, at our bank a borrower rarely walks in and asks for information on an SBA loan. As I alluded to in the hearing, with both "push" and "pull" marketing, we can create a heightened, more dynamic public awareness of SBA's products, programs and services.

I also believe that a banks' awareness of SBA products should not be limited to the guaranteed loans offerings. SBA offers a full spectrum of financing opportunities, and banks can be an invaluable resource in communicating these options directly to small businesses. For example, the Small Business Investment Company (SBIC) program is another source of financing or investment for small businesses. Additionally, through participating agencies, the Small Business Innovation Research (SBIR) and the Small Business Technology Transfer (STTR) programs provide grant funding for companies conducting early-stage research and other innovative work, an important source of

capital for emerging industries. If banks are made more aware of these small business financing programs, I believe SBA can expand its reach and effectiveness well beyond the Agency's loan guarantee programs.

INNOVATION

SBIR Improvements. As you know, the SBIR program – which was authored by New Hampshire Senator Warren Rudman – has been critical for encouraging innovation at America's small businesses. That's particularly true in New Hampshire, where our companies rank 22nd in terms of SBIR awards despite our small size.

At previous hearings on this program, one of the challenges we have heard from small businesses has been red tape. In particular, we have heard from companies that receive awards from multiple federal agencies that they must comply with different auditing standards, which increases their overhead and distracts them from focusing on innovation. It seems to me that, if an auditing standard works for one agency, it should be good enough for all agencies.

Q: Will you work with me and other members of the Committee to address this concern?

Answer:

First, let me thank the Committee for their tremendous work in reauthorizing these critical small business programs. I understand it was not an easy road, but that the final outcome provided some much-needed stability and improvements for both programs.

While I am not familiar with the specifics of the various auditing standards that may apply to SBIR participating agencies, if confirmed, I would welcome the opportunity to work with you to resolve any issues and optimize this excellent program.

At a recent hearing on the SBIR program, we heard from Dr. Chuck Wessner from the National Academies of Sciences, who has led several studies into the SBIR program and its effectiveness.

One of the concerns he highlighted was that, for us to stay competitive, we need to invest in university research and encourage greater innovation from that research. One way to do that is increase the number of faculty participating in SBIR.

Q: I noticed that you worked in venture capital, which often goes to universities to find the next great idea or technological innovation. In your opinion, what lessons can the SBA draw from that experience to encourage more university talent to apply for SBIR awards?

Answer:

The SBIR and STTR programs provide tremendous opportunities for emerging industries and start-up entrepreneurs by funding the development of early-stage and high-risk innovations in a way that other forms of R & D capital cannot. And when an SBIR or STTR recipient is successful in commercializing a product, it often has a powerful multiplier effect on our economy and the country as a whole.

My experience is that universities often house some of our most innovative and creative thinkers. To the extent that we can promote the SBIR and STTR programs to professors and other potential entrepreneurs at universities, it will allow us to better capitalize on the knowledge and expertise of universities while spurring economic growth. I think you would agree that this creates a "win/win" opportunity for both sides, and I look forward to working with you on fostering more of those opportunities if confirmed.

EXPORTS

STEP reauthorization. One of the ongoing benefits of the Small Business Jobs Act is the State Trade and Export Promotion (STEP) grant program. This program has helped many companies in New Hampshire attend trade shows, go on trade missions, and collaborate to take advantage of foreign markets.

For example, the New Hampshire Aerospace and Defense Export Consortium (NHADEC) has started organizing this sector of our economy, helping small businesses learn about exporting.

That kind of effort is critical. 95 percent of the world's customers live overseas, yet only one percent of our small businesses export.

I was pleased that we included funding for STEP in this year's omnibus. But going forward, we need to reauthorize this successful program.

Q: Ms. Contreras-Sweet, will you make reauthorization of STEP a priority for you as Administrator?

Answer:

Since my nomination, I have had the opportunity to learn a bit about STEP, and I know that the program has been well-received by the states and has helped numerous small businesses export overseas. If confirmed, I look forward to closely examining all of the metrics around STEP and other exporting programs, and working with Congress to make sure SBA's Office of International Trade plays an integral role in helping small businesses export.

I know this Administration is committed to increasing trade opportunities for small firms, and that SBA plays a crucial role in helping them compete globally. Some of the additional resources that SBA brings to bear to assist small businesses seeking to export are trained personnel at 19 U.S. Export Assistance Centers, other counseling services aimed at exporters through our resource partners and district offices, and guaranteed loans tailored specifically for firms involved in international trade. Furthermore, I know SBA works in cooperation with other Federal agencies, as well as public and private-sector partners, to encourage small business exports. If confirmed, I look forward to diligently assessing and then building on all of these efforts.

International trade is an area in which I have an interest and some experience. As Secretary of Business, Transportation, and Housing in California, I participated in a number of delegations abroad that focused on issues of trade and exchanging best practices. These included missions to Mexico, Germany, France, and England. If confirmed, I anticipate these experiences will be valuable in informing and enhancing my efforts around international trade.

ENTREPRENEURIAL DEVELOPMENT/COUNSELING

Budget cuts. In recent years, the Obama Administration has proposed cutting entrepreneurial development programs, including the Small Business Development Centers. Congress has routinely rejected these cuts, considering the impact of these programs, especially in rural areas like New Hampshire.

I just wanted to mention this because I believe these programs should be a priority for the SBA, and I hope to work with you to ensure they get the funding they need to provide critical counseling assistance to growing small businesses in New Hampshire.



U.S. Senate Committee on Small Business and Entrepreneurship

*"The Nomination of Maria Contreras-Sweet
to be Administrator of the U.S. Small Business Administration"*

Endorsements & Letters in Support of the Nominee

America's Small Business Development Companies (America's SBDC)
 American Sustainable Business Council
 Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship (ACE)
 Barbara Boxer, U. S. Senator
 Cerrell Associates
 Congressional Hispanic Caucus Institute
 Executive Latino Leadership Association (ELLA)
 The Greenlining Coalition
 Hispanas Organized for Political Equality (HOPE)
 Independent Community Bankers of America (ICBA)
 International Franchise Association (IFA)
 The Latino Coalition
 Los Angeles Area Chamber of Commerce
 Los Angeles County Business Federation (BizFed)
 Minority Business Roundtable (MBRT)
 National Association for the Self-Employed (NASE)
 National Association of Development Companies (NADCO)
 National Council of La Raza (NCLR)
 National Gay & Lesbian Chamber of Commerce (NGLCC)
 National Hispanic Leadership Agenda (NHLA)
 National Latina Business Women Association (National LBWA)
 National Minority Supplier Development Council (NMSDC)
 National Small Business Association (NSBA)
 National Urban League
 Native American Contractors Association (NACA)
 New American Alliance (NAA)
 PepsiCo
 Regional Economic Association Leaders of California (REAL Coalition)
 Small Business Majority
 U.S. Black Chambers, Inc. (USBC)
 U.S. Chamber of Commerce
 U.S. Hispanic Chamber of Commerce (USHCC)
 Women's Business Enterprise National Council (WBENC)



February 11, 2014

Honorable Mary Landrieu
Chair
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20515

Honorable Jim Risch
Ranking Republican
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20515

Chair Landrieu and Senator Risch,

On behalf of America's SBDC, the Association representing Small Business Development Centers, I would like to express our sincere support and enthusiasm for the nomination of Ms. Maria Contreras-Sweet to the position of Administrator of the US Small Business Administration. Ms. Contreras-Sweet has a long and accomplished professional career working with the small business community, a history of sincere dedication and talent. Her resumé is marked by extraordinary achievement in both the public and private sector. She has been a small business owner, a venture capitalist and lender with a sincere focus on expanding the small business infrastructure.

The members of America's SBDC are impressed not only by her distinguished career in small business finance but also by her understanding that capital combined with business assistance is the best combination for small business growth. Our members in California, particularly the Santa Monica College SBDC, are fully aware of her strong support for the SBDC program and her dedication to providing comprehensive assistance to the small business community. At Promérica Bank she established a partnership to combine lending with SBDC assistance energize small business success. Moreover, her dedication to the broadening of economic opportunity and to community development is an aspect of her character and career that America's SBDC believes commends her most strongly.

Lastly, America's SBDC wishes to recognize Ms. Contreras-Sweet's efforts to establish the California Endowment. It is efforts like that which show that Ms. Contreras-Sweet understands the role of education in community development, the need for knowledge to help our communities be healthy in ways other than financial. America's SBDC looks forward to working with Ms. Contreras-Sweet in her new role.

Sincerely,

C. E. "Tee" Rowe
President/CEO
America's SBDC



National Office
Raul Vazquez Building
1126 16th Street, NW
Washington, DC 20036

TEL 202.785.1670
FAX 202.776.1792
www.nclr.org

February 11, 2014

The Honorable Harry Reid
The Capitol, Room S-221
Washington, DC 20510

The Honorable Mitch McConnell
The Capitol, Room S-230
Washington, DC 20510

The Honorable Mary Landrieu
703 Hart Senate Office Building
Washington, DC 20510

The Honorable Jim Risch
483 Russell Senate Office Building
Washington, DC 20510

Dear Leaders:

On behalf of the National Council of La Raza (NCLR), the largest national Hispanic civil rights and advocacy organization in the United States — I am writing to express our unequivocal support for the nomination of Maria Contreras-Sweet as Administrator of the Small Business Administration.

The future of our economy rests heavily on the opportunities provided to industrious entrepreneurs who are investing in our communities and our labor force. The Small Business Administration should be empowered to fully serve the needs of our small business owners and to elevate their influence in national economic policy. Ms. Contreras-Sweet's tenure in government, at the helm of a major lending institution, and as a business owner will give her the depth of experience to provide thoughtful leadership adept to meet the needs of our nation's small business owners.

We believe wholeheartedly that Maria Contreras-Sweet's blend of personal experience and expertise makes her uniquely qualified to serve in this position. As the Founder and Chair of the Board of ProAmerica Bank, Contreras-Sweet has steered necessary capital to Latino entrepreneurs and non-profit organizations in California. This investment has created a significant number of jobs and services in our community.

As the Secretary of Business, Transportation and Housing Agency for the State of California, Contreras-Sweet has also deftly managed a government agency with a \$14 billion budget and workforce of 42,000 employees. During her tenure, Contreras-Sweet managed large-scale investments in infrastructure and housing that spurred much needed job creation.

Regional Offices: Atlanta, Georgia • Chicago, Illinois • Los Angeles, California • New York, New York
Phoenix, Arizona • San Francisco, California • San Antonio, Texas • San Juan, Puerto Rico



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NCLR believes that Maria Contreras-Sweet is fully prepared to become the Administrator of the Small Business Administration. Ms. Contreras-Sweet will not only faithfully support the needs of small business owners; but will bring the much needed perspective of entrepreneurs to our country's economic policy agenda. Her expertise and dedication to public service is needed now more than ever and we strongly urge her immediate confirmation.

Sincerely,

A handwritten signature in black ink that reads "Janet Murguía". The signature is fluid and cursive, with the first name "Janet" and the last name "Murguía" clearly legible.

Janet Murguía
President and CEO

CC: Members of the Small Business and Entrepreneurship Committee

Regional Offices: Atlanta, Georgia • Chicago, Illinois • Los Angeles, California • New York, New York
Phoenix, Arizona • Sacramento, California • San Antonio, Texas • San Juan, Puerto Rico



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CAMDEN R. FINE
President and CEO

February 11, 2014

The Honorable Mary L. Landrieu Chair Committee on Small Business & Entrepreneurship United States Senate Washington, D.C. 20510	The Honorable James E. Risch Ranking Member Committee on Small Business & Entrepreneurship United States Senate Washington, D.C. 20510
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Dear Chair Landrieu and Ranking Member Risch:

On behalf of the nearly 7,000 community banks represented by the Independent Community Bankers of America, I write to express our support for the nomination of Maria Contreras-Sweet to serve as Administrator of the Small Business Administration (SBA).

Ms. Contreras-Sweet is Founder and Chairwoman of ProAmérica Bank, a community bank in Los Angeles, CA. Like thousands of community bankers across America, Ms. Contreras-Sweet has demonstrated a passion for helping small businesses in her community grow and thrive, with a particular focus on the Latino business community. In addition, she has served as Secretary of the California Business, Transportation and Housing Agency and has served on the Board of California Blue Cross. Ms. Contreras-Sweet is highly regarded in the California business community. With a mix of business and government experience, she is highly qualified to lead the SBA and we fully support her nomination.

Thank you for holding this hearing and for your work in supporting America's small businesses.

Sincerely,

/s/

Camden R. Fine
President and CEO

CC: Members of the Senate Committee on Small Business and Entrepreneurship



LOS ANGELES AREA
CHAMBER OF COMMERCE

February 10, 2014

Senator Mary Landrieu
Chairwoman
Senate Small Business Committee
U.S. Senate
428A Russell Senate Office Building
Washington, DC 20510

Re: Support for Maria Contreras-Sweet as the next Administrator of the U.S. Small Business Administration

Dear Senator Landrieu,

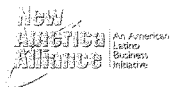
President Obama's recent nomination of Ms. Contreras-Sweet to lead the U.S. Small Business Administration was welcome news to the members of the Los Angeles Area Chamber of Commerce. Ms. Contreras-Sweet is the founding chairwoman of PROAMERICA BANK, the first Latino-owned business bank in California in over 35 years which serves small to mid-sized businesses with a focus on the Latino business community. She is the recipient of numerous awards, including The Spirit of California from the California State Legislature and Entrepreneur of the Year from the U.S. Hispanic Congressional Caucus.

Prior to founding PROAMERICA BANK, Ms. Contreras-Sweet served for five years as the Secretary of Business, Transportation and Housing Agency for the State of California, where she managed a \$14 billion budget and a workforce of over 42,000. During her tenure, she created the Department of Managed Health Care and led the implementation of Proposition 46, a \$2.1 billion housing fund to stimulate the state's economy. She chaired The Infrastructure Commission which published "Invest for California: Strategic Planning for California's Future Prosperity and Quality of Life." Her diverse background working to expand access to capital, encourage investment and promote job creation will be an asset in her new role as Administrator of the U.S. Small Business Administration.

Ms. Contreras-Sweet has been a member of the Chamber Board of Directors and Executive Committee for more than a decade. During that time she has held leadership positions in our Small Business Council and Global Initiatives & International Trade Council. She cares deeply about small business and understands the link between small employers and our overall economic success. We urge you to confirm her as Administrator of the U.S. Small Business Administration now so she can begin her work supporting small businesses throughout the country.

Sincerely,

Gary Toeblen
President & CEO



15th Anniversary 2014

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Andy Unanue
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Raul Yzaguirre
 NAA Co-Founder and Board Member
 Emeritus

February 11, 2014

The Honorable Mary L. Landrieu
 Senator, U.S. Senate
 Chairman, U.S. Senate Committee on Small Business & Entrepreneurship

Dear Senator Landrieu,

On behalf of New America Alliance (NAA), a national American Latino business organization dedicated to strengthening economic development for our nation, it is our honor to express our support for the confirmation of Maria Contreras-Sweet as head of the Small Business Administration (SBA).

Mrs. Contreras-Sweet represents the epitome of national leadership in promoting economic growth and prosperity for all Americans. In 1999, she became the first Latina to hold a cabinet-level position under Governor Gray Davis when she served as Secretary of Business, Transportation and Housing. Through this experience, she was inspired to form the first Latino-owned business bank in Los Angeles in 30 years, PROAMERICA BANK, a leading financial services provider and SBA lender. Since 2006, Mrs. Contreras-Sweet has served as Founder and Chairwoman of PROAMERICA BANK as well as President and Co-Founder of FORTIUS Holdings, LLC, a private equity and venture fund specializing in providing capital to small businesses.

Mrs. Contreras-Sweet joined NAA in 2005 and is currently serving another term as NAA Inc Board Director as well as chair of our Corporate Board Initiative, which focuses on increasing Latino representation on corporate boards. She also serves as Founding President of Hispanas Organized for Political Equality (HOPE), Board Member of the Los Angeles Children's Hospital, and on the Women's Leadership Board for the John F. Kennedy School of Government at Harvard University.

We believe that Mrs. Maria Contreras-Sweet would provide unparalleled leadership and focus, apply ample experience in public office and business to lead the Small Business Administration (SBA), and continue to support the vitality and growth of American small business and our economy. We strongly encourage your consideration.

Respectfully,

Frank Herrera
 NAA Inc Chair

Henry Cisneros
 NAA Co-Founder

Raúl Yzaguirre
 NAA Co-Founder

Maria del Pilar Avila
 NAA CEO

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United States

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AVANCE, Inc.

Casa de Esperanza

Cuban American National
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Farmerworker Justice

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Colleges and Universities

Hispanic Federation

Hispanic National Bar
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Hispanic Federal ExecutivesNational Association of
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Puerto Rican Women, Inc.

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on AgingNational Hispanic
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Foundation for the ArtsNational Hispanic Medical
AssociationNational Hispanic Media
CoalitionNational Institute for Latino
PolicyNational Latina Institute for
Reproductive HealthNational Puerto Rican
CoalitionSER Jobs for Progress-
NationalSouthwest Voter
Registration Education
ProjectUnited States Hispanic
Chamber of CommerceUnited States Hispanic
Leadership InstituteUnited States-Mexico
Chamber of CommerceUnited States-Mexico
Foundation

National Hispanic Leadership Agenda

February 12, 2014

Honorable Mary Landrieu
ChairU.S. Senate Committee on Small Business and Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510Honorable James E. Risch
Ranking MemberU.S. Senate Committee on Small Business and Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

Dear Chair Landrieu and Ranking Member Risch,

On behalf of the National Hispanic Leadership Agenda (NHLA), a coalition of the 37 preeminent national Latino organizations in the country, we write in support of the nomination of Maria Contreras-Sweet to lead the Small Business Administration (SBA). We request that this letter of support be placed into the official record of the Senate Committee on Small Business and Entrepreneurship.

Our membership, which represents millions of Hispanic Americans across our nation, unanimously supports Ms. Contreras-Sweet's nomination and we urge you to move expeditiously toward confirmation. As you will discover upon examination, she has significant accomplishments in the private sector. Her unique background in business and government administration will make her a great asset both to the agency and the small business community. Her proven leadership skills will help propel Latina-owned businesses, which represent the fastest growing segment of the women-owned business market, to even greater heights of success.

Her experience and understanding of the small business community emanates from her current position as Executive Chairwoman of ProAmérica Bank, a Los Angeles-based community bank focused on lending to small and medium-size enterprises. Prior to her founding of ProAmérica, she created an international management-consulting firm, the Contreras-Sweet Company, which boasted Disney, Coca-Cola and the Getty Museum, among others, as clients. The success of ProAmérica and her work with other business ventures, demonstrate Ms. Contreras-Sweet's expertise in addressing the unique needs of the business community.

In relation to her direct administrative competency, Ms. Contreras-Sweet also served in public office as California's Secretary of the Business, Transportation and Housing Agency for five years. As Secretary, she oversaw a \$14 billion budget and a workforce of 42,000 employees. She was recognized for her outstanding service by the California State Legislature with the *Spirit of California* awards for her many contributions to the state. In our view, the totality of her professional career provides evidence that Ms. Contreras-Sweet has the requisite experience to succeed as Administrator of the SBA.

Moving forward on this nomination, it is our intent to score all votes associated with this nomination in our NHLA Congressional Scorecard on the 113th Congress. The NHLA Congressional Scorecard rates members of Congress on votes taken in the House and Senate that our membership deems important to the social, economic, and political advancement and quality of life of Hispanic Americans.

NHLA Supports Maria Contreras-Sweet nomination
Page 2 of 2

Thank you for your consideration of our views.

Sincerely,

Hector Sanchez

A handwritten signature in black ink, appearing to read "H. Sanchez", with a long horizontal flourish extending to the right.

Chair, National Hispanic Leadership Agenda (NHLA)
Executive Director, Labor Council for Latin American Advancement (LCLAA)



February 26, 2013

The Honorable Maria Cantwell
Chair
311 Hart Senate Office Building
Washington, D.C. 20510

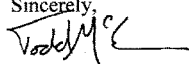
The Honorable James Risch
Ranking Member
483 Russell Senate Office Building
Washington, D.C. 20510

Dear Chair Cantwell and Ranking Member Risch:

The National Small Business Association (NSBA) is pleased to support Ms. Maria Contreras-Sweet as the next Administrator of the U.S. Small Business Administration. Ms. Contreras-Sweet's experience as Secretary of the California Business, Transportation and Housing Agency, president and co-founder of Fortius Holdings, and most recently as founder and CEO of ProAmerica Bank, a Latino-owned community bank located in Los Angeles, California, provides her with both the necessary public sector managerial experience and private sector know-how to be a successful and engaged SBA Administrator.

Small businesses are America's economic engine and are the most dynamic and innovative sector of our economy. The SBA Administrator plays a critical role in promoting and facilitating access to capital, improving small business contracting opportunities, and providing much-needed emergency preparedness and disaster relief assistance to small businesses impacted by and recovering from a disaster. Accordingly, NSBA looks forward to working with Ms. Contreras-Sweet on these issues and many others that are essential to the long-term economic health and well-being of America's small business community.

On behalf of NSBA and our over 65,000 members, I would like to urge you and your colleagues to hold a confirmation vote and approve Ms. Contreras-Sweet as soon as possible. We look forward to working with you and your staff to ensure that Ms. Contreras-Sweet is approved by the Small Business Committee and subsequently by the full U.S. Senate in a timely manner.

Sincerely,

Todd O. McCracken
President



PEPSICO

700 Anderson Hill Road Purchase, New York 10577 www.pepsico.com
Tel. (914) 253-2556 Fax (914) 253-3803

INDRA K. NOOYI
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

February 11, 2014

Mary L. Landrieu, Chair
James E. Risch, Ranking Member
Committee on Small Business and Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

**RE: Nomination Hearing for Maria Contreras-Sweet for the position of Administrator at the
Small Business Administration**

Dear Chair Landrieu and Ranking Member Risch:

It is with great pleasure that I write to you on behalf of Maria Contreras-Sweet, President Obama's nominee for Administrator at the Small Business Administration ("SBA"). I recommend confirming her for the position because I am confident she will succeed in promoting the SBA's mission to help Americans start, build, and grow businesses.

I worked with Maria during her term on PepsiCo's Ethnic Advisory Board, of which she was a founding member. This Board provided my colleagues and me with external viewpoints on issues related to diversity and inclusion, especially in the U.S. marketplace. Maria played a crucial role, establishing herself as a thoughtful and trusted advisor. Her participation was invaluable to PepsiCo's management in our efforts to maintain an inclusive workplace culture.

Additionally, I believe Maria has the business and community experience necessary to thrive as SBA Administrator. Her leadership of Proamérica Bank, the first Latino-owned business bank in California, combined with her service as Secretary of the California Business, Transportation, and Housing Agency, give her a unique perspective about the opportunities and challenges for small business in America and make her exceptionally suited for this important position.

If confirmed, I am confident that Maria will excel in her position and I look forward to working with her in advancing the interests of small businesses in America.

Sincerely,

A handwritten signature in dark ink, appearing to read "Indra K. Nooyi", with a stylized flourish at the end.

Indra K. Nooyi
Chairman and Chief Executive Officer



2001 Gateway, Suite 101E
San Jose, CA 95110
PH | 408.501.7864
FAX | 408.501.7861
www.realcoalition.org

LUCY DUNN
Co-Chair
Orange County Business Council

CARL GUARDINO
Co-Chair
Silicon Valley Leadership Group

RON ADDINGTON
Business Council of San Joaquin County

BILL ALLEN
Los Angeles County Economic
Development Corporation

MARK CAFFERTY
San Diego Regional Economic
Development Corporation

RANDY GORDON
Long Beach Area Chamber of
Commerce

PAUL GRANILLO
Inland Empire Economic Partnership

BILLIE GREER
Southern California Leadership Council

RUSSELL HANCOCK
Joint Venture

CYNTHIA KURTZ
San Gabriel Valley
Economic Partnership

ROBERT LINSCHIED
San Francisco Chamber of Commerce

DARIE LOUIE
East Bay Economic Development
Alliance

MATTHEW MAHOOD
San Jose Silicon Valley Chamber of
Commerce

CYNTHIA MURRAY
North Bay Leadership Council

ROGER NIELLO
Sacramento Metro Chamber of
Commerce

DAN QUIGLEY
Oakland Metropolitan Chamber of
Commerce

JERRY SANDERS
San Diego Chamber of Commerce

AL SMITH
Greater Fresno Area Chamber
of Commerce

TOM TERRILL
East Bay Leadership Council

GARY TOEBBEN
Los Angeles Area Chamber of
Commerce

JIM WUNDERMAN
Bay Area Council

February 7, 2014

Senator Harry Reid
Majority Leader, Senators of the 113th Congress
522 Hart Senate Office Building
Washington, DC 20510

Re: Support for Maria Contreras-Sweet as the next Administrator of the U.S. Small Business Administration

Dear Senator Reid,

On behalf of the Regional Economic Association Leaders (R.E.A.L.) Coalition, an association of California's most influential business and economic development entities, representing 21 member organizations and more than 11,000 employers who collectively provide more than 3 million California jobs, we urge the Senate to confirm Maria Contreras-Sweet as the next Administrator of the U.S. Small Business Administration.

President Obama's recent nomination of Ms. Contreras-Sweet to lead the U.S. Small Business Administration was welcome news to the R.E.A.L. Coalition. Ms. Contreras-Sweet is the founding chairwoman of PROAMERICA BANK, the first Latino-owned business bank in California in over 35 years which serves small to mid-sized businesses with a focus on the Latino business community. She is the recipient of numerous awards, including The Spirit of California from the California State Legislature and Entrepreneur of the Year from the U.S. Hispanic Congressional Caucus.

Prior to founding PROAMERICA BANK, Ms. Contreras-Sweet served for five years as the Secretary of Business, Transportation and Housing Agency for the State of California, where she managed a \$14 billion budget and a workforce of over 42,000. During her tenure, she created the Department of Managed Health Care and led the implementation of Proposition 46, a \$2.1 billion housing fund, stimulating the state's economy. She chaired The Infrastructure Commission which published "Invest for California: Strategic Planning for California's Future Prosperity and Quality of Life." Her diverse background working to expand access to capital, encourage investment and promote job creation will be an asset in her new role as Administrator of the U.S. Small Business Administration.

According to the Governor's Office of Business and Economic Development, California has 3.4 million small businesses that account for 99 percent of the state's employers and employ 52 percent of the workforce. Those small business owners need all the resources they can get to grow their business in the still-struggling economy. Ms. Contreras-Sweet has shown she understands the link between small employers and our overall economic success. We urge you to confirm her as Administrator of the U.S. Small Business Administration now so she can begin her work supporting small businesses throughout the country.

Sincerely,

(over)


The views expressed in this correspondence are supported by the signatories. R.E.A.L. Coalition partners not included as signatories are not necessarily party to the views expressed herein.



Lucy Dunn
President & CEO
Orange County Business Council



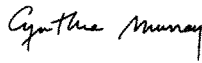
Carl Guardino
President & CEO
Silicon Valley Leadership Group



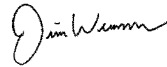
Gary Toebben
President & CEO
Los Angeles Area Chamber of Commerce




Roger Niello
President & CEO
Sacramento Metro Chamber of Commerce



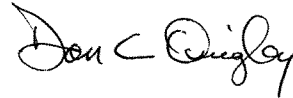
Cynthia Murray
President & CEO
North Bay Leadership Council



Jim Wunderman
President & CEO
Bay Area Council



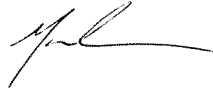
Robert Linscheid
President & CEO
San Francisco Chamber of Commerce



Dan Quigley
Interim President
Oakland Metropolitan Chamber of Commerce



Paul Granillo
President & CEO
Inland Empire Economic Partnership



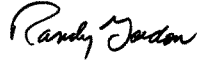
Marc Cafferty
President & CEO
San Diego Regional Economic Development Corporation



Jerry Sanders
President & CEO
San Diego Chamber of Commerce



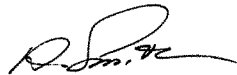
Matthew R. Mahood
President & CEO
San Jose Silicon Valley Chamber of Commerce



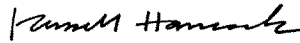
Randy Gordon
President & CEO
Long Beach Area Chamber of Commerce



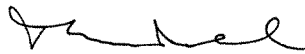
Ron Addington
President & CEO
Business Council of San Joaquin County



Al Smith
President & CEO
Greater Fresno Area Chamber of Commerce



Russell Hancock
President & CEO
Joint Venture Silicon Valley



Tom Terrill
President & CEO
East Bay Leadership Council



Darien Louie
Executive Director
East Bay Economic Development Alliance



Bill Allen
President & CEO
Los Angeles County Economic Development Corporation

CC: Senators of the 113th Congress

The views expressed in this correspondence are supported by the signatories. R.E.A.L. Coalition partners not included as signatories are not necessarily party to the views expressed herein.



March 3, 2014

The Honorable Maria Cantwell
Chairman
U.S. Senate Committee on Small Business & Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

The Honorable James E. Risch
Ranking Member
U.S. Senate Committee on Small Business & Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Cantwell and Ranking Member Risch:

The Latino Coalition (TLC) was founded in 1995 by a group of Hispanic business owners from across the country to give a national voice to this vital constituency in our nation's economic life. Our agenda is to develop initiatives and partnerships that will foster economic parity and enhance overall business, economic and social development for Latinos.

President Obama recently nominated Maria Contreras-Sweet to lead the Small Business Administration (SBA) and we support Ms. Contreras-Sweet's candidacy. We are confident that her experience in both the public and private sector are strong attributes for the job and hopeful that her nomination move quickly.

Maria Contreras-Sweet is the founder of ProAmérica Bank, the first Latino-owned business bank in California in over 30 years, which focuses on small and medium-sized businesses in Latino neighborhoods. Ms. Contreras-Sweet also served as Secretary of the California Business, Transportation and Housing Agency, and was the driving force behind major job creation and substantial public investments in infrastructure and in housing.

NATIONAL HEADQUARTERS: 1455 PENNSYLVANIA AVENUE • SUITE 400 • WASHINGTON DC 20004
ADMINISTRATIVE OFFICE: 8855 RESEARCH DRIVE • IRVINE CA 92618
OFFICE (TOLL FREE): 1 (855) 852-1995 • FAX: (866) 496-1944

WWW.THELATINOCOALITION.COM



I have personally known Maria for several decades while running my business in California, and have always been impressed with her understanding of what small business — the engine of America — needs in order to succeed. As previous Administrator to the Small Business Administration, I know firsthand what it takes to lead an agency and believe Maria is highly qualified and ready to lead the SBA.

Thank you very much for your consideration.

Respectfully Submitted,

Hector V. Barreto
Chairman

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

February 10, 2014

The Honorable Mary Landrieu
Chairwoman
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

The Honorable James E. Risch
Ranking Member
Committee on Small Business
and Entrepreneurship
United States Senate
Washington, DC 20510

Dear Chairwoman Landrieu and Ranking Member Risch:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations, and dedicated to promoting, protecting, and defending America's free enterprise system, strongly endorses President Obama's nomination of Maria Contreras-Sweet to be the Administrator of the Small Business Administration (SBA).

The Chamber believes that Ms. Contreras-Sweet's leadership roles in both business and government will provide her with the knowledge and skills necessary to efficiently run the SBA. Additionally, Ms. Contreras-Sweet's understanding of the financial challenges facing small business through her experience as founder of ProAmerica Bank will provide the SBA with expert guidance and leadership as she develops and oversees programs to provide access to capital and counseling to our nation's 27 million small businesses.

It is of particular importance that a person with a high level of integrity and a determination to fairly represent small business serves in this essential position as Administrator. The Chamber believes that Ms. Contreras-Sweet is that person and urges you to expeditiously approve her nomination.

Sincerely,



R. Bruce Josten

cc: Members of the Committee on Small Business and Entrepreneurship



January 20, 2014

The Honorable Mary Landrieu
United States Senate
703 Hart Senate Office Bldg
Washington, DC 20510

Dear Senator Landrieu,

OFFICERS

Marc A. Rodriguez
Chairman of the Board

Raymond Arroyo
Secretary

Ruben Taborda
Finance Chair

Ignacio Veloz
Chairman-Elect

Nina Vaca*
Chairman Emeritus

Javier Palomarez
President & CEO

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Maria Martinez*

Cesar Melgoza*

Gabriel Pascual

Luis Ramirez

Frank Rodriguez

Marc Rodriguez

Don Salazar*

Ruben Taborda

Ignacio Veloz

Peter Villegas*

Greg Winegardner

I am writing you today in regards to President Obama's recent nomination of Maria Contreras-Sweet for Administrator of the Small Business Administration (SBA). Having thoroughly reviewed her credentials, we proudly support Ms. Contreras-Sweet's candidacy, and hope that you will move her nomination expeditiously. We are confident that her unique background in business and government administration will make her a great asset both to the agency and the small business community.

As you may know, Ms. Contreras-Sweet is the Founder and Executive Chairwoman of ProAmerica Bank, a Los Angeles-based community bank focused on lending to small and medium-size enterprises. Additionally, the bank serves the Hispanic business community with extensive bilingual services and educational programs. The success of ProAmerica Bank demonstrates Ms. Contreras-Sweet's expertise in addressing the unique needs of both the small business and the Hispanic business communities.

Ms. Contreras-Sweet has also served in public office as California's Secretary of the Business, Transportation and Housing Agency for five years. As Secretary, she oversaw a \$14 billion budget and a workforce of 42,000 employees. She has been recognized for her outstanding service. In fact, the California State Legislature selected Ms. Contreras-Sweet for the Spirit of California Award for her many contributions to the state. We believe that her effective management of this agency demonstrates her distinct administrative competency.

Ms. Contreras-Sweet has the experience to succeed as the Administrator of the Small Business Administration. In addition to her impressive résumé, she understands the unique needs of disadvantaged business communities. As such, her qualifications for this position are unrivaled.

Also in light of our numerous shared economic goals, we would like to thank you for your efforts as Chair of the Committee on Small Business & Entrepreneurship. Your efforts in supporting small business are truly praiseworthy.

Thank you for your consideration. If you have any questions please do not hesitate to contact Marco De León, USHCC Vice President of Government Affairs and Policy, at mdeleon@ushcc.com or at (202) 715-0477.

Respectfully Submitted,

Marc Rodriguez
Chairman of the Board
USHCC

Javier Palomarez
President & CEO
USHCC

*Denotes Region Chair



Strengthening the Voice of Business

A Division of: Los Angeles
 County Business Federation
 1000 N. Alameda St. #240
 Los Angeles, CA 90012
 Tel: 213.346.3282
 Fax: 213.652.1802
 www.bizfed.org

February 28, 2014

Honorable Maria Cantwell, Chair
 U.S. Senate Committee on Small Business and Entrepreneurship
 United States Senate
 428A Russell Senate Office Building
 Washington, D.C. 20510

Dear Senator Cantwell:

On behalf of Los Angeles County Business Federation (BizFed) - representing more than 120 business organizations with nearly 260,000 businesses and 3 million employees across Southern California - we are writing in support of the nomination of Maria Contreras-Sweet by President Barack Obama to become Administrator of the Small Business Administration.

Our members have personally seen the dedication and commitment that Maria Contreras-Sweet has displayed in serving both small businesses and the interests of the American public. She currently serves as the executive chairwoman and founder of ProAmerica Bank, a commercial bank focusing on small to mid-sized businesses with a specialty in the Latino community. It is through the hard work of Ms. Contreras-Sweet and her fellow business partners for the past six years that this bank now thrives and serves small and minority businesses in the Los Angeles area.

Ms. Contreras-Sweet's experience brings a history of both public sector and private sector experience. She served as California's Secretary of the California Business, Transportation and Housing Agency (BTH). She was the longest serving BTHA secretary, overseeing 44,000 employees, a \$14 billion budget, and 14 state departments. She ran her own company, the Contreras-Sweet Company, an international management consulting firm, that represented notable companies such as Disney, Coca Cola, and the Getty Museum in Los Angeles. And, she worked for many years with Westinghouse in their bottling business for 7Up/RC Bottling to learn and appreciate the challenges that industrial companies face.

Maria Contreras-Sweet is also committed to giving her time and energy to the public through her involvement in many organizations including: The California Endowment, Harvard Women's Leadership Board, PepsiCo's Ethnic Advisory Board, the Los Angeles Area Chamber of Commerce, and Children's Hospital Los Angeles, to name only a few.

You will find her sincere, straightforward and dedicated to the work and causes she undertakes. Maria Contreras-Sweet will be committed to being an advocate for the small businesses that need the assistance of the SBA, and she has demonstrated throughout her career that she will lead with integrity and commitment to excellence.

Ms. Contreras-Sweet is an outstanding candidate to serve as Administrator of the Small Business Administration, and we ask for your approval of her nomination.

Sincerely,

Don St. Clair
 BizFed Chair
 Woodbury University

David Fleming
 BizFed Founding Chair
 Latham & Watkins LLP

Tracy Rafter
 BizFed Founding CEO
 IMPOWER, Inc.

1000 N. Alameda St. #240

Los Angeles, California 90012

T: 213.346.3282

F: 213.652.1802

www.bizfed.org



February 27, 2014

The Honorable Maria Cantwell
Chairwoman
Committee on Small Business & Entrepreneurship
U.S. Senate
Washington, DC 20510

The Honorable James L. Risch
Ranking Member
Committee on Small Business & Entrepreneurship
U.S. Senate
Washington, DC 20510

Dear Chairwoman Cantwell and Ranking Member Risch,

The National Association of Development Companies (NADCO) representing U.S. Small Business Administration (SBA) lenders including the nation's 250 SBA Certified Development Companies, is proud to enthusiastically support Maria Contreras-Sweet to be Administrator of the SBA. As a community banker whose life has been dedicated to empowering underserved small businesses and entrepreneurs, she understands first-hand the challenges that are facing our communities today. Her leadership is not only welcome in Washington, but critical at this time as all of us need to work across the aisle to find solutions for America's communities and our economy.

The SBA Real Estate Advantage (REAL 504) Loan initiative is designed to assist small business owners obtain low-rate, long-term financing for capital assets like the purchase of real estate and equipment. At 10% down, the REAL 504 is a uniquely low-cost product for small businesses offered by the nation's SBA Certified Development Companies, empowered to facilitate gap financing, local economic development, and job creation.

NADCO is the trade association of SBA lenders including SBA Certified Development Companies (CDCs) – community-based nonprofit organizations that have been certified by the SBA to provide gap financing for small businesses. NADCO represents more than 250 CDCs, serving all 50 states. In 2013, the industry provided \$4.8 billion to over 7,200 U.S. small businesses nationwide. Our purpose is, "Making a Difference....one job, one small business, one community at a time."

NADCO and the nation's SBA CDCs look forward to working in partnership with your committee and Ms. Contreras-Sweet as the tip of the spear in revitalizing our economy block-by-block, and loan-by-loan. We urge a swift confirmation by the full Senate so that our important work together can begin.

Sincerely,

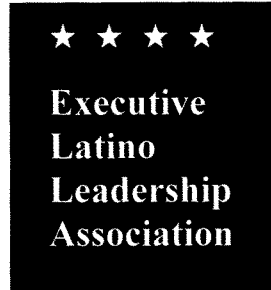
Beth Solomon

Beth Solomon
President & CEO

cc: Members of the Senate Committee on Small Business and Entrepreneurship

www.nadco.org

Washington D.C. Office:
1100 H St. NW, 10th Floor
Washington, DC 20005
(202) 276-8001



1100 South Hope St., Suite 103 1100 South Hope St., Suite 103
Los Angeles, CA 90015

February 19, 2014

Committee on Small Business & Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Re: Support for Maria Contreras-Sweet as Administrator for the U.S. Small Business Administration

Dear Senators Landrieu and Risch,

On behalf of the Executive Latino Leadership Association (ELLA), comprised of executive level leaders with decades of public and private sector experience in government, philanthropy, education, business and non-profits, we support President Obama's nomination of Maria Contreras-Sweet as the next Administrator for the U.S. Small Business Administration.

Ms. Contreras-Sweet has been a highly experienced and talented business and community leader in California. As the founding chairwoman of Promerica Bank, she has first-hand understanding of the needs of the small business community, particularly with her professional experience with SBA lending, microloans and preferred lender programs. Her commitment to under-represented communities is reflected in her leadership role and personal active involvement in the non-profit sector, particularly as the Founding President of Hispanas Organized for Political Equality (HOPE), and a Founding Director of the California Endowment, a multi-billion dollar philanthropic foundation.


Ms. Contreras-Sweet has extensive public-service experience as the Cabinet Secretary of the California Business, Transportation and Housing Agency (BTHA), becoming the first Latina to be named Cabinet Secretary in United States history. During her 5-year term, Contreras-Sweet was the longest serving BTHA secretary, overseeing 44,000

employees, a \$14 billion budget, and 14 state departments. Additionally, she also served as Chairwoman of the 2000 United States Census for California.

As a result of her diverse public, private and non-profit sector leadership experience, we strongly support the confirmation of Ms. Contreras-Sweet as the next Administrator for the U.S Small Business Administration.

Sincerely,

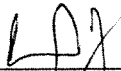
Executive Latino Leadership Association



Maria Cabildo
President
East LA Community Corporation*



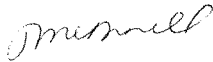
Luis Barrera Castanon
L.A. Area Chamber of Commerce*



Manuel Chavez
Assistant General Manager
City of Los Angeles, CDD*



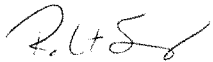
Marvin Martinez
President
East Los Angeles College*



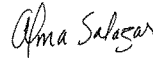
Veronica Olmos McDonnell
Executive Director
Central City Neighborhood Partners*



Patricia Perez
Partner
VPE Public Relations



Robert Sainz
Assistant General Manager
City of Los Angeles, CDD*




Dr. Alma Salazar
Vice Pres., Education and Workforce
L.A. Area Chamber of Commerce*



Lisa Salazar
Director
City of LA YouthSource System*



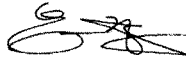
Dalila Sotelo
Principal
The Sotelo Group



Benjamin Torres
President and CEO
CD Tech*



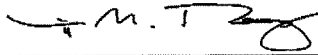
Richard Verches
Executive Director
Los Angeles County WIB*



Edward Velasquez
Superintendent
Lynwood Unified School District*



Ruben Gonzalez
Consultant



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Citi Community Development*

NOTE: *For identification purposes only.

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CERRELL ASSOCIATES

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February 11, 2014

VIA FAX

Honorable Mary L. Landrieu - Chair
Committee on Small Business & Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Landrieu:

As a small business owner, I am writing in support of the nomination of Maria Contreras-Sweet by President Barack Obama to become Administrator of the Small Business Administration.

I have personally seen the dedication and commitment that Maria Contreras-Sweet has displayed in serving both small businesses and the interests of the American public. She currently serves as the executive chairwoman and founder of ProAmerica Bank, a commercial bank focusing on small to mid-sized businesses with a specialty in the Latino community. It is through the hard work of Maria and her fellow business partners for the past six years that this bank now thrives and serves small and minority businesses in the Los Angeles area.

Ms. Contreras-Sweet experience brings a history of both public sector and private sector experience. She served as California's Secretary of the California Business, Transportation and Housing Agency (BTH). She was the longest serving BTHA secretary, overseeing 44,000 employees, a \$14 billion budget, and 14 state departments. She ran her own company, the Contreras-Sweet Company, an international management consulting firm, that represented notable companies such as Disney, Coca Cola, and the Getty Museum in Los Angeles. And, she worked for many years with Westinghouse in their bottling business for 7Up/RC Bottling to learn and appreciate the challenges that industrial companies face.



02/11/2014 10:13PM (GMT-05:00)

Honorable Mary L. Landrieu - Chair
February 11, 2014
Page 2

Maria Contreras-Sweet is also committed to giving her time and energy to the public through her involvement in many organizations including: The California Endowment, Harvard Women's Leadership Board, PepsiCo's Ethnic Advisory Board, the Los Angeles Chamber of Commerce, and Children's Hospital Los Angeles, to name only a few.

You will find her sincere, straightforward and dedicated to the work and causes she undertakes. Maria Contreras-Sweet will be committed to being an advocate for the small businesses that need the assistance of the SBA, and she will be a fine leader to the people that work in this agency through her hard work, integrity and commitment to excellence.

I cannot think of a better qualified individual to serve as Administrator of the Small Business Administration and ask for your approval of her nomination.

Most sincerely,



Steve Bullock
CFO



02/11/2014 10:13PM (GMT-05:00)



1918 UNIVERSITY AVENUE, 2ND FLOOR
BERKELEY, CA 94704
GREENLINING.ORG

February 11, 2014

The Honorable Senator Mary L. Landrieu, Chair
The Honorable Senator James E. Risch, Ranking Member
The Honorable Senator Carl Levin
The Honorable Senator Maria Cantwell
The Honorable Senator Mark L. Pryor
The Honorable Senator Ben L. Cardin
The Honorable Senator Jeanne Shaheen
The Honorable Senator Kay Hagan
The Honorable Senator Heidi Heitkamp
The Honorable Senator Ed Markey
The Honorable Senator Cory Booker
The Honorable Senator David Vitter
The Honorable Senator Marco Rubio
The Honorable Senator Rand Paul
The Honorable Senator Tim Scott
The Honorable Senator Deb Fischer
The Honorable Senator Mike Enzi
The Honorable Senator Ron Johnson

Committee on Small Business & Entrepreneurship
United States Senate
428A Russell Senate Office Building
Washington, D.C. 20510

Strong Support for the Confirmation of Maria Contreras-Sweet to SBA Administrator

Dear Senators:

The Greenlining Institute and its coalition write to express strong support for the confirmation of Maria Contreras-Sweet to lead the Small Business Administration. We are confident that she understands the needs of small businesses and their role as the engine of our economy. From her experience in creating her own business and to serving small business owners, she is someone who understands the small business sector from all angles. As you all know well, small businesses have been critical to our economic recovery as job creators and pillars of their communities.

We wholeheartedly agree with President Obama, who stated that he was “absolutely confident that she is going to do an outstanding job as our Small Business Administrator” for many reasons, including her proven track record in the business community, and her understanding working families and communities of color.

Greenlining Coalition

Board of Directors

Executive Director
Chief Operating Officer
General Counsel
Finance

The health of small businesses matters to communities everywhere, and particularly in communities of color. Minority business enterprises (MBEs) are more likely to be small, but they are also resilient. Between 2002-2007, MBEs outpaced the growth of their white-owned counterparts¹; however, they still saw fewer contracts with most large institutions and corporations. These businesses need continued and strong support from entities like SBA. When our small businesses do well, they generate wealth, create jobs, and families can live out their own version of the American Dream. Furthermore, these businesses hire and invest in their surrounding communities, jumpstarting opportunities for employment in communities with the highest levels of unemployment. Communities of color and other underserved communities need an SBA that factors in their unique experiences during policymaking.

Ms. Contreras-Sweet has amply demonstrated that she has what it takes to be the next Administrator of the SBA. As the founding chairwoman of ProAmerica Bank, the first Latino-owned business bank in California in over 30 years, she has seen the hard work and sacrifice necessary to start and run a successful business and has dedicated her career to empowering underserved entrepreneurs. She established herself as a trailblazer by becoming one of the first Latinas in the United States to found a publicly traded company.

She has also capably served in the public sector as Secretary of the California Business, Transportation and Housing Agency, where she focused on major job creation and public investments through infrastructure and housing. As a consultant, she helped companies expand into the growing Latino market. As President Obama stated, "She is a champion of women-owned and family-owned businesses." She has, in short, exactly the kind of experience that will help her make fair and inclusive policies and decisions that will assist the entire diverse community of small business owners.

Lastly, we applaud this excellent opportunity to add diversity to President Obama's second term cabinet. Communities of color will soon become the nation's new majority, making diversity a pressing mainstream issue. Ms. Contreras-Sweet is a first-generation American and Latina from California who knows exactly how small businesses create the American Dream for communities of color and other underserved communities.

We fully support Ms. Contreras-Sweet to head the SBA and urge you to act swiftly to confirm her nomination. Thank you for supporting small businesses, and the communities that depend on them.

Sincerely,

The Greenlining Institute and coalition

cc. The Honorable Senator Elizabeth Warren
The Honorable Senator Robert Menendez

¹ Minority Business Development Agency, U.S. Department of Commerce, "Minority-Owned Business

February 11, 2014

The Honorable Mary Landrieu
Chairman
U.S. Senate Committee on Small Business & Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

The Honorable James E. Risch
Ranking Member
U.S. Senate Committee on Small Business & Entrepreneurship
428A Russell Senate Office Building
Washington, DC 20510

Dear Chairman Landrieu and Ranking Member Risch,

We are writing you today in regard to President Obama's recent nomination of Maria Contreras-Sweet to lead the Small Business Administration (SBA). We proudly support Ms. Contreras-Sweet's candidacy, and hope that you will move her nomination expeditiously. We are confident that her unique background in business and government administration will make her a great asset both to the agency and the small business community.

Ms. Contreras-Sweet has significant accomplishments in the private sector. She is currently the Executive Chairwoman of ProAmérica Bank, a Los Angeles-based community bank focused on lending to small and medium-size enterprises. Before she founded ProAmérica Bank, she opened an international management consulting firm called the Contreras-Sweet Company which soon landed Disney, Coca Cola, and the Getty Museum. She was also president and co-founder of Fortius Holdings, LLC. The success of ProAmérica Bank and her work with other business ventures, demonstrate Ms. Contreras-Sweet's expertise in addressing the unique needs of the business community.

Ms. Contreras-Sweet has also served in public office as California's Secretary of the Business, Transportation and Housing Agency for five years. As Secretary, she oversaw a \$14 billion budget and a workforce of 42,000 employees. She has been recognized for her outstanding service. In fact, the California State Legislature selected Ms. Contreras-Sweet for the *Spirit of California* award for her many contributions to the state. We believe that her effective management of this agency demonstrates her distinct administrative competency.

Ms. Contreras-Sweet has the experience to succeed as the Administrator of the SBA. In addition to her impressive résumé, she understands the distinct needs of small business community. As such, we believe that she is eminently qualified for this position.

Thank you for your consideration.

Respectfully Submitted,

The United States Hispanic Chamber of Commerce,



Small Business Majority,



Asian/Pacific Islander American Chamber of Commerce & Entrepreneurship



International Franchise Association,



Minority Business Roundtable,



National Association for the Self-Employed,



National Gay & Lesbian Chamber of Commerce,



National Minority Supplier Development Council,



Native American Contractors Association,



United States Black Chambers, Inc.,



Women's Business Enterprise National Council,



CC: Senate Majority Leader Harry Reid,
Senate Minority Leader Mitch McConnell

Maria Contreras-Sweet: From ProAmérica, to America's Promise

By Javier Palomarez

For Maria Contreras-Sweet, helping America's small businesses flourish is more than a job — it's a calling.

Her personal journey defies cynics. She is a Mexican immigrant, who arrived to the United States with her parents and five siblings as a young child. Through hard work and an unshakeable resilience, Maria has achieved her own version of the American dream. But her true mission lies in empowering others to reach theirs. She is living proof that being a successful business person and advancing the common good are not mutually exclusive — in fact, for Maria, the two are inextricably bound.

On Wednesday, the Senate Small Business and Entrepreneurship Committee held a hearing on Maria's nomination to lead the Small Business Administration. Should Congress vote in her favor, Maria will be the first Latina appointed to the SBA since the post was elevated to a full cabinet-level agency.

Having functioned without an official administrator for over five months, the SBA desperately needs a qualified candidate to serve at its helm. A swift confirmation of Maria's nomination would not only benefit small businesses, but it would also allow Congress to demonstrate a sincere commitment to advancing our country's economic agenda — a move that might help Americans regain their confidence in Washington.

Let us not hail Maria's nomination solely because she is a Latina. While we are proud of her personal story, what the business community is most impressed by is her proven acumen and commitment to America's minority-owned firms. Maria's unbreakable fighting spirit will help fuel the engine of our nation's economy — its small business community.

Having attended Maria's Senate confirmation hearing, I have no doubt that she is the absolute best and most qualified candidate to head the Small Business Administration. Maria's energy and eagerness is contagious and refreshing to witness. At a time when Washington's 'insider' culture seems exclusive — or borderline intimidating — it's great to see the face of our nation's small business community be a woman that is "in touch" with real-world needs, and possess the necessary attitude to solve the problems at hand.

As the founder and Executive Chairwoman of ProAmérica — a Los Angeles-based bank — Maria provides financial services to the immediate drivers of job creation: small and medium-sized local businesses. Today, ProAmérica has nearly \$150 million in assets, and provides more than \$108 million in loans — including SBA loans — to small businesses.

Following her numerous successful ventures in the private sector, Maria decided to apply her business experience to public service. In 1999, she was appointed Secretary of the Business, Transportation and Housing Agency for the State of California, overseeing 42,000 workers and a budget of \$14 billion. One of her crowning achievements as Secretary was implementing Proposition 46, a \$2.1 billion housing stimulus that helped boost California's economy.

Maria's story epitomizes what makes our nation exceptional — America promises, after all, to be the 'Land of Opportunity.' Maria's career has been dedicated to protecting that promise, and allowing deserving entrepreneurs to become innovative job creators that contribute to America's rebounding

economy. The truth is, there are millions of Maria Contreras-Sweets out there – immigrant, Hispanic, women, and an array of diverse business owners – waiting to be discovered.

While small businesses have received numerous benefits under the current administration, including 18 tax cuts, \$380 billion in federal contracts and \$130 billion in loans, Maria can bring renewed vigor to unresolved problems. For nearly a decade, the federal government has failed to meet its self-imposed commitment to small, minority-owned businesses. We are counting on Maria to change that.

2014 must be a year of action, let's start with a swift confirmation for SBA's next leader. This isn't a partisan debate on health care, immigration reform or the debt ceiling – any delay to Ms. Contreras-Sweet's appointment would be nothing more than obstruction that hinders the growth and prosperity of our nation's economy.

It would be unconscionable to delay such an unquestionably qualified person to lead the nation's highest small business agency, especially at a time when business owners increasingly struggle to access the capital they need to keep growing and creating jobs. No matter what the political partisan flavor of the day is, championing American small businesses is a smart move that always yields bountiful returns. With Maria Contreras-Sweet, everybody wins.

Maria's entire professional career has been a training ground for the formidable challenges and opportunities that await her at the SBA. With a simple vote, the Senate can make the founder of ProAmérica bank, the promise of America's small business community.



For immediate release: January 15, 2014

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Nomination of SBA Administrator Good News for Small Businesses and Economy

Statement by John Arensmeyer, Founder & CEO of Small Business Majority on President Obama's nomination of Maria Contreras-Sweet to head the Small Business Administration

****Arensmeyer and other small business experts available for telephone and on-camera interviews in English and Spanish****

The nomination of Maria Contreras-Sweet to lead the Small Business Administration is welcome news for small businesses and our economy. Contreras-Sweet's distinguished career includes being founding chairwoman of ProAmérica Bank, a founding director of The California Endowment and cabinet secretary of the California Business, Transportation and Housing Agency. Her diverse background working to expand access to capital, encourage investment and promote job creation in the government, non-profit and private sectors will be a critical asset for her new role as SBA administrator, especially during these difficult economic times.

National opinion polling Small Business Majority released found a majority of small employers that need credit say getting it is a serious problem. As chairwoman of ProAmérica Bank, Contreras-Sweet worked to help entrepreneurs access credit and financial services, empowering them to build successful small and mid-sized businesses. This, along with the copious other business development and managerial experience Contreras-Sweet possesses, will certainly help her as she assumes her new role.

Contreras-Sweet has shown she understands the link between small employers' and our overall fiscal success, and we're pleased she'll be spearheading the SBA's policies. We look forward to working with her and the administration on bolstering small business and promoting a strong economy.

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About Small Business Majority

Small Business Majority is a national small business advocacy organization, founded and run by small business owners, to support America's 28 million small businesses. We conduct extensive opinion and economic research and work with our rapidly growing network of small business owners across the country to ensure their voices are an integral part of the public policy debate. Learn more about us on [Wikipedia](#) and follow us on [Twitter](#) and [Facebook](#).

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